GEORGE LOCAL MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

GENERAL INFORMATION

Mayoral committee	Until 17 May 2011	From 18 May 2011 until present
Executive Mayor	M Draghoender (24 February 2010 - 19 August 2010) B Petrus (19 August 2010 - 17 May 2011) L Esau (1 April 2011 - 17 May 2011)	GJ Stander
Deputy Executive Mayor	PS Leholo(24 February 2010 - 19 August 2010) L Esau (19 August 2010 - 17 May 2011)	D Maritz
Speaker	B Petrus (24 February 2010 - 18 August 2010) D Maritz (19 August 2010 - 17 May 2011)	AM Draghoender
Councillors	Until 17 May 2011	From 18 May 2011 until present
Ward		
1	C Laws	BA Fortuin
2	C Neethling	C Neetling
3	TJ Botha	EP De Villiers
4	RA Kruger	LD van Wyk
5	LBC Esau	LBC Esau
6	AT Jantjies	JJ Muller
7	FZ Ntozini	FZ Ntozini
8	B Petrus	C Standers
9	T Teyisi	T Teyisi
10	JS Thanda	MD Gingcana
11	NF Kamte	NF Kamte
12	FS Guga	GN Sixolo
13	CT Williams	B Salmani
14	HJ Jones	CM Papah
15	CM Remas	FS Guga
16	RW Londt	HJ Jones
17	D Maritz	D Maritz
18	SJ Bezuidenhout	GC Niehaus
19	IC Kritzinger	IC Kritzinger
20	MJ Mbuzwana	M Draghoender
21	-	JS Thanda
22	-	PH de Swart
23	-	GJ Stander

GENERAL INFORMATION

Proportionally elected councillors

	Until 17 May 2011	From 18 May 2011 until present
1	JST Alberts	SJ Bezuidenhout
2	NA Bityi	C Bob
3	C Bob	TJ Botha
4	BM Cornelius	BM Cornelius
5	PH de Swardt	NNE Dlephu
6	M Draghoender	J Du Toit
7	PJL Grobler	T Fortuin
8	DH Hartman	V Gericke
9	BF Heynes	F Harris
10	PB Komani	WT Harris
11	PS Leholo	LS Hayward
12	JJ Muller	NV Kom
13	J Ncamazana	PB Komani
14	M Olivier	PS Leholo
15	J Pretorius	SM Mekana
16	ML Rabinowitz	B Petrus
17	PJ van der Hoven	LN Qupe
18	AJ van Zyl	GMY Sihoyiya
19	W Witbooi	I Stemela
20	-	PJ van der Hoven
21	-	AJ van Zyl
22	-	CT Williams
23	-	W Witbooi

GENERAL INFORMATION

Auditor	Auditor General
Bankers	ABSA Bank Limited
Registered office	Civic Centre York Street 77 GEORGE 6530
Postal address	PO Box 19 GEORGE 6530
Contact numbers	Tel: 044 801 9111 Fax: 044 873 3776
Webiste	www.george.org.za
E-mail	post@george.org.za
Accounting Officer	T Botha (Acting)
Chief Finance Officer (CFO)	CJ Kapp (Acting)
Legal form of entity	Municipality
Grading of local authority	Grade 4

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Abbreviations

COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
GRAP	Generally Recognised Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)

ACTING MUNICIPAL MANAGER'S APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements have been prepared in accordance with South African Statements of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

I am responsible for the preparation of these Annual Financial Statements, which are set out on pages 1 to 105 in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act. Refer to note 25 for the disclosure of Councillor remuneration.

T BOTHA
ACTING MUNICIPAL MANAGER

George

Wednesday, August 31, 2011

STATEMENT OF FINANCIAL POSITION

	Note	2011	2010 RESTATED
Assets			
Current Assets			
Inventories	2	304,479,415	310,015,032
Trade receivables from exchange and non-exchange transactions	3	74,358,153	70,729,920
Other receivables	4	30,698,239	67,898,996
Loans and receivables	5	316,243	802,433
Cash and cash equivalents	6	232,496,590	146,881,424
		642,348,640	**596,327,805**
Non-Current Assets			
Property, plant and equipment	7	1,865,929,368	1,876,604,507
Intangible assets	8	2,098,782	1,919,740
Investment property	9	137,320,001	85,474,814
Loans and receivables	5	1,356,627	1,481,326
		2,006,704,778	**1,965,480,387**
Total Assets		**2,649,053,418**	**2,561,808,192**
Liabilities			
Current Liabilities			
Loans and borrowings	10	30,533,273	26,063,768
Trade and other payables from exchange transactions	11	93,220,343	83,810,573
VAT payable	12	16,012,423	6,062,254
Consumer deposits	13	14,897,278	13,411,780
Employee benefits	14	20,649,472	18,052,999
Provisions	15	11,113,488	8,842,812
Unspent conditional grants and receipts	16	34,311,043	13,411,597
		220,737,320	**169,655,783**
Non-Current Liabilities			
Loans and borrowings	10	520,869,762	487,384,195
Employee benefits	14	92,520,643	79,551,494
Provisions	15	750,000	725,000
		614,140,405	**567,660,689**
Total Liabilities		**834,877,725**	**737,316,472**
Net Assets			
Housing development fund	17	70,710,661	70,082,858
Accumulated surplus		1,743,465,032	1,754,408,862
Total Net Assets		**1,814,175,693**	**1,824,491,720**
Total Equity and Liabilities		**2,649,053,418**	**2,561,808,192**

STATEMENT OF FINANCIAL PERFORMANCE

	Note	2011	2010 RESTATED
Revenue			
Revenue from non-exchange transactions		**342,533,653**	**268,080,107**
Property rates	18	118,748,003	104,491,293
Property rates - penalties imposed and collection charges		1,329,568	1,322,135
Government grants and subsidies	19	209,306,671	158,507,356
Fines		13,149,411	3,759,323
Revenue from exchange transactions		**498,995,019**	**450,538,990**
Service charges	20	449,063,227	390,527,885
Rental revenue	21	1,828,659	1,819,181
Income from agency services		5,427,377	5,120,054
Licences and permits		2,106,193	2,762,038
Gain on disposal of assets		-	95,218
Other income	22	21,500,142	31,414,863
Interest received	23	19,069,421	18,799,751
Total Revenue		**841,528,672**	**718,619,097**
Expenditure			
Personnel costs	24	227,743,108	219,740,200
Remuneration of councillors	25	10,691,294	9,757,868
Loss on disposal of assets		440,326	2,466,861
Depreciation and amortisation	26	94,501,388	79,562,561
Impairment losses	27	27,523,970	13,946,099
Finance costs	28	52,847,533	47,342,066
Collection costs		5,960,226	5,602,477
Repairs and maintenance		55,364,168	52,445,761
Bulk purchases	29	192,835,737	151,841,435
Contracted services	30	94,626,895	34,039,033
Grants and subsidies paid	31	5,124,374	5,507,580
Cost of erven sold		7,667,910	22,983,600
General Expenses	32	76,517,772	69,894,672
Total Expenditure		**851,844,701**	**715,130,213**
(Deficit) surplus for the year		**(10,316,029)**	**3,488,884**

Statement of Changes in Net Assets

Figures in Rand	Housing Develpment Fund	Total accumulated surplus	Total net assets
Opening balance as previously reported	70,684,771	1,694,742,578	1,765,427,349
Adjustments			
Fundamental errors affecting net assets	-	4,551	4,551
Prior year error - refer to note 39.1	-	219,255	219,255
Prior year error - refer to note 39.2	-	136,121	136,121
Prior year error - refer to note 39.3	-	(79,405)	(79,405)
Prior year error - refer to note 39.4	-	(4,760,000)	(4,760,000)
Prior year error - refer to note 39.5	-	66,994,774	66,994,774
Prior year error - refer to note 39.7	-	3,342,686	3,342,686
Prior year error - refer to note 39.15	-	(8,016,092)	(8,016,092)
Prior year error - refer to note 35.17	(2,465,818)	199,415	(2,266,403)
Balance at July 01, 2009 as restated	**68,218,953**	**1,752,783,883**	**1,821,002,836**
Changes in net assets			
Transfer to/(from) Housing Development Fund	1,863,905	(1,863,905)	-
Net income (losses) recognised directly in net assets	1,863,905	(1,863,905)	-
Surplus for the year	-	3,488,884	3,488,884
Total recognised income and expenses for the year	1,863,905	1,624,979	3,488,884
Total changes	1,863,905	1,624,979	3,488,884
Balance at July 01, 2010	**70,082,858**	**1,754,408,864**	**1,824,491,722**
Changes in net assets			
Transfer to/(from) housing development fund	627,803	(627,803)	-
Net income (losses) recognised directly in net assets	627,803	(627,803)	-
(Deficit) surplus for the year	-	(10,316,029)	(10,316,029)
Total recognised income and expenses for the year	627,803	(10,943,832)	(10,316,029)
Total changes	627,803	(10,943,832)	(10,316,029)
Balance at June 30, 2011	**70,710,661**	**1,743,465,032**	**1,814,175,693**

Note(s)

CASH FLOW STATEMENT

	Notes	2011	2010
Cash flows from operating activities			
Cash receipts from ratepayers, government and others		913,368,530	685,865,639
Cash paid to suppliers and employees		(698,477,915)	(564,771,417)
Cash generated from operations	33	214,890,615	121,094,222
Finance income		19,069,421	18,799,751
Finance costs		(51,759,061)	(47,342,067)
Net cash from operating activities		**182,200,975**	**92,551,906**
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(136,634,521)	(243,066,926)
Proceeds on disposal of property, plant and equipment	7	964,700	176,472
Purchase of intangible assets	8	(620,981)	(535,273)
Decrease in loans and receivables		1,749,921	1,752,591
Net cash flows from investing activities		**(134,540,881)**	**(241,673,136)**
Cash flows from financing activities			
Proceeds from loans and borrowings		65,000,000	125,200,000
Repayment of loans and borrowings		(27,044,928)	(22,085,538)
Net cash flows from financing activities		**37,955,072**	**103,114,462**
Increace/(Decrease) in cash and cash equivalents		**85,615,166**	**(46,006,768)**
Cash and cash equivalents at the beginning of the year		146,881,424	192,888,192
Cash and cash equivalents at the end of the year	6	**232,496,590**	**146,881,424**

ACCOUNTING POLICIES

1. Accounitng policies

The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations and directives issued by the Accounting Standards Board (ASB) in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

ACCOUNTING POLICIES

1.1 Presentation of Annual Financial Statements

The annual financial statements have been prepared on the historical cost basis except as noted in the accounting policies below.

The financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practices (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatements of comparative information. The nature and reason for the reclassification is disclosed. Where material accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies and comparative restatements are explained in the relevant policy.

The standards are summarised as follows:

GRAP 5	Borrowing Costs
GRAP 102	Intangible assets
IPSAS 20	Related Party Disclosure
IFRIC 4 (AC437)	Determining whether an Arrangement contains a Lease
IFRIC 14 (AC447) IAS19	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The Municipality resolved to early adopt the following GRAP standards which have been issued but are not yet effective:

Standard	**Description**	**Effective Date**
GRAP 1 (Revised)	Presentation of Financial Statements	1 April 2011
GRAP 2 (Revised)	Cash Flow Statements	1 April 2011
GRAP 3 (Revised)	Accounting Policies, Changes in Accounting Estimates and Errors	1 April 2011
GRAP 4 (Revised)	The Effects of changes in Foreign Exchange Rates	1 April 2011
GRAP 9 (Revised)	Revenue from Exchange Transactions	1 April 2011
GRAP 12 (Revised)	Inventories	1 April 2011
GRAP 13 (Revised)	Leases	1 April 2011
GRAP 14 (Revised)	Events after the reporting date	1 April 2011
GRAP 16 (Revised)	Investment Property	1 April 2011
GRAP 17 (Revised)	Property, Plant and Equipment	1 April 2011
GRAP 19 (Revised)	Provisions, Contingent Liabilities and Contingent Assets	1 April 2011
GRAP 21	Impairment of non-cash-generating assets	1 April 2012
GRAP 23	Revenue from Non-Exchange Transactions	1 April 2012
GRAP 26	Impairment of cash-generating assets	1 April 2012
GRAP 100 (Revised)	Non-current Assets held for Sale and Discontinued Operations	1 April 2011

The Municipality resolved to formulate an accounting policy based on the following GRAP standards which have been issued but are not yet effective:

Standard	Description	Effective Date
GRAP 25	Employee Benefits	Unknown
GRAP 104	Financial Instruments	Unknown

Accounting policies for material transactions, events or conditions not covered by the above GRAP have been developed in accordance with paragraphs 8, 10 and 11 of GRAP 3.

1.1 Presentation of Annual Financial Statements (continued)

A summary of the significant accounting policies, which have been consistently applied except where an exemption or transitional provision has been granted, are disclosed below.

Assets, liabilities, revenue and expenses have not been offset except when offsetting is permitted or required by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant notes to the Financial Statements.

In terms of Directive 7: "The Application of Deemed Cost on the Adoption of Standards of GRAP" issued by the Accounting Standards Board, the Municipality applied deemed cost to Investment Property, Property, Plant and Equipment and Intangible where the acquisition cost of an asset could not be determined.

If fair value at the measurement date cannot be determined for an item of property, plant and equipment, investment property or an intangible asset, an entity may estimate such fair value using depreciated replacement cost.

The cost for depreciated replacement cost is determined by using either one of the following:

- cost of items with a similar nature currently in the Municipality's asset register;
- cost of items with a similar nature in other municipalities' asset registers, given that the other municipality has the same geographical setting as the Municipality and that the other municipality's asset register is considered to be accurate;
- cost as supplied by suppliers.

These accounting policies are consistent with the previous period.

Significant judgements, estimates and assumptions

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

The preparation of financial statements in conformity with GRAP requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may vary from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of GRAP that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 39 & 40.

In the process of applying the Municipality's accounting policy, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

1.1 Presentation of Annual Financial Statements (continued)

Post retirement medical obligations, Long service awards and Ex gratia gratuities

The cost of post retirement medical obligations, long service awards and ex-gratia gratuities are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Impairment of Receivables

The calculation in respect of the impairment of debtors is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This was performed per service-identifiable categories across all classes of debtors.

Property, plant and equipment

The useful lives of property, plant and equipment are based on management's estimation. Infrastructure's useful lives are based on technical estimates of the practical useful lives for the different infrastructure types, given engineering technical knowledge of the infrastructure types and service requirements. For other assets and buildings Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

For deemed cost applied to other assets as per adoption of Directive 7, management used the depreciated replacement cost method which was based on assumptions about the remaining duration of the assets.

For deemed cost applied to land and buildings as per adoption of Directive 7, management made use of on independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

Intangible assets

The useful lives of intangible assets are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate.

For deemed cost applied to intangible assets as per adoption of Directive 7, management used the depreciated replacement cost method which was based on assumptions about the remaining duration of the assets.

Investment Property

The useful lives of investment property are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their economic lives, and in what condition they will be at that time.

For deemed cost applied to Investment Property as per adoption of Directive 7, management made use of on independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

Provisions and contingent liabilities

Management judgement is required when recognising and measuring provisions and when measuring contingent liabilities. Provisions are discounted where the effect of discounting is material using actuarial valuations.

ACCOUNTING POLICIES

1.1 Presentation of Annual Financial Statements (continued)

Revenue Recognition

Accounting Policy 1.22 on Revenue from Non-Exchange Transactions and on Revenue from Exchange Transactions describes the conditions under which revenue will be recognised by management of the Municipality.

In making their judgement, management considered the detailed criteria for the recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and GRAP 23: Revenue from Non-Exchange Transactions. Specifically, whether the Municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been performed. Revenue from the issuing of spot fines and summonses has been recognised on the accrual basis using estimates of future collections based on the actual results of prior periods. The management of the Municipality is satisfied that recognition of the revenue in the current year is appropriate.

1.2 Going concern assumptions

These annual financial statements have been prepared on a going concern basis.

1.3 Functional and presentation of currency

Amounts reflected in the financial statements are in South African Rand and at actual values. No financial values are given in an abbreviated display format. No foreign exchange transactions are included in the statements.

1.4 Offsetting

Assets, liabilities, revenue and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP

1.5 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decision or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatements judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor. In general, materiality is determined as 1% of total expenditure.

1.6 Standards, amendments to standards and interpretations issued but not yet effective

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the Municipality:

Standard	Description	Effective Date
GRAP 6 (Revised)	Consolidated and Separate Financial Statements No significant impact is expected as the Municipality does not participate in such business transactions.	Unknown
GRAP 7 (Revised)	Investments in Associate No significant impact is expected as the Municipality does not participate in such business transactions.	Unknown
GRAP 8 (Revised)	Interest in Joint Ventures No significant impact is expected as the Municipality does not participate in such business transactions.	Unknown
GRAP 18	Segment Reporting Information to a large extent is already included in the notes to the annual financial statements.	Unknown
GRAP 24	Presentation of Budget Information in Financial Statements Information to a large extent is already included in the notes to the annual financial statements.	1 April 2012
GRAP 25	Employee Benefits Information to a large extent is already included in the notes to the annual financial statements.	Unknown
GRAP 103	Heritage Assets No adjustments necessary as the Municipality has no heritage assets.	1 April 2012
GRAP 104	Financial Instruments Information to a large extent is already included in the notes to the annual financial statements.	Unknown
GRAP 105	Transfer of Functions Between Entities Under Common Control No significant impact is expected as the Municipality does not participate in such business transactions.	Unknown
GRAP 106	Transfer of Functions Between Entities Not Under Common Control No significant impact is expected as the Municipality does not participate in such business transactions.	Unknown
GRAP 107	Mergers No significant impact is expected as the Municipality does not participate in such business transactions.	Unknown

These standards, amendments and interpretations will not have a significant impact on the Municipality once implemented.

1.7 Housing development fund

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the Municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

1.8 Leases

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the lessee.

Operating leases are those leases that do not fall within the scope of the above definition.

The Municipality as Lessee

Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the Municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant and equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables.

Payments made under operating leases are recognised in surplus or deficit on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

The Municipality as Lessor

Under a finance lease, the Municipality recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The receivable is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the Municipality, discounted at the interest rate implicit in the lease. The receivable is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis. The accounting policies relating to derecognition and impairment of financial instruments are applied to lease receivables.

Payments received under operating leases are recognised in surplus or deficit on a straight-line basis over the term of the lease.

1.9 Unspent conditional government grants and receipts

Conditional government grants are subject to specific conditions. If these specific conditions are not met, the monies received are repayable.

Unspent conditional grants are financial liabilities that are separately reflected on the Statement of Financial Position. They represent unspent government grants, subsidies and contributions from the public.

This liability always has to be cash-backed. The following provisions are set for the creation and utilisation of this creditor:

- Unspent conditional grants are recognised as a liability when the grant is received.
- When grant conditions are met an amount equal to the conditions met are transferred to revenue in the Statement of Financial Performance.
- The cash which backs up the creditor is invested as individual investment or part of the general investments of the Municipality until it is utilised.
- Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor. If it is the Municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

1.10 Unpaid conditional government grants and receipts

Unpaid conditional grants are assets in terms of the Framework that are separately reflected on the Statement of Financial Position. The asset is recognised when the Economic Entity has an enforceable right to receive the grant or if it is virtually certain that it will be received based on that grant conditions have been met. They represent unpaid government grants, subsidies and contributions from the public.

The following provisions are set for the creation and utilisation of the grants as receivables:

- Unpaid conditional grants are recognised as an asset when the grant is receivable.

1.11 Provisions and contingencies

Provisions are recognised when the Municipality has a present legal or constructive obligation as a result of past events, it is possible that an outflow of resource embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate. Where the effect is material, non-current provisions are discounted to their present value using a discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability (for example in the case of obligations for the rehabilitation of land).

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is possible.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

(a) The Municipality has a detailed formal plan for the restructuring identifying at least:

- the business or part of a business concerned;
- the principal locations affected;
- the location, function and approximate number of employees who will be compensated for terminating their services;
- the expenditures that will be undertaken; and
- when the plan will be implemented.

(b) The Municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

The amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation at the reporting date.

Provisions shall be reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision shall be reversed.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent liability could also be a present obligation that arises from past events, but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to the obligation or the amount of the obligation cannot be measures with sufficient reliability.

Management judgement is required when recognising and measuring contingent liabilities.

1.12 Employee benefits

Short-term employee benefits

Remuneration to employees is recognised in the statement of financial performance as the services are rendered, except for non-accumulating benefits which are only recognised when the specific event occurs.

The costs of all short-term employee benefits such as leave pay and bonuses, are recognised during the period in which the employee renders the related service. The municipality recognises the expected cost of performance bonuses only when the municipality has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

Long-service Award
Long service awards are provided to employees who achieve certain pre-determined milestones of service within the municipality. The municipality's obligation is valued by independent qualified actuaries at year-end and the corresponding liability is raised. Payments set-off against the liability, including notional interest, resulting from the valuation by the actuaries, are charged against the statement of financial performance. Defined benefit plans are post-employment plans other than defined contribution plans.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is charged or credited to the Statement of Financial Performance in the period that it occurs. These obligations are valued periodically by independent qualified actuaries.

Accrued leave pay
Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total amount of leave days due to employees at year end and also on the total remuneration package of the employee.

Staff Bonuses
Liabilities for staff bonuses are recognised as they accrue to employees. The liability at year end is based on bonuses accrued at year end for each employee.

Performance bonuses
A provision, in respect of the liability relating to the anticipated costs of performance bonuses payable to Section 57 employees, is maintained. Municipal entities' performance bonus provisions are based on the employment contract stipulations as well as previous performance bonus payment trends.

Post Retirement Benefits

The Municipality provides post retirement benefits for its employees and councillors. Council pays 70% as contributions and the remaining 30% are paid by the members.

Defined Contribution Plans
A defined contribution plan is a plan under which the municipality pays fixed contributions into a separate entity. The municipality has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to service in the current or prior periods.

The municipality's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in the statement of financial performance in the period in which the service is rendered by the relevant employees. The municipality has no further payment obligations once the contributions have been paid.

Defined Benefit Plans
A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. It defines an amount of benefit that an employee will receive on retirement. The municipality's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value. Any unrecognised past service cost and the fair value of any plan assets are deducted.

1.12 Employee benefits (continued)

Own administered defined benefit plans
The defined benefit obligation, the related current cost and where applicable, past service cost, is determined by using the Projected Unit Credit Method. The actuarial gains and losses is recognised as revenue or expense.

Medical Aid: Continued Members
The municipality provides certain post-retirement medical benefits by funding the medical aid contributions of certain retired members of the municipality. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service), on retirement, is entitled to remain a continued member of the Medical Aid Fund, in which case the municipality is liable for a certain portion of the medical aid membership fee.

The Municipality provides post-retirement medical benefits by subsidizing the medical aid contributions of certain retired staff according to the rules of the medical aid funds. Council pays 60% as contribution and the remaining 40% are paid by the members. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The present value of the defined benefit liability is actuarially determined in accordance with GRAP 25 – Employee benefits (using a discount rate applicable to high quality government bonds). The plan is unfunded.

These contributions are charged to the Statement of Financial Performance when employees have rendered the service entitling them to the contribution. The liability was calculated by means of the projected unit credit actuarial valuation method. The liability in respect of current pensioners is regarded as fully accrued, and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the fair value of the obligation. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is charged or credited to the Statement of Financial Performance in the period that it occurs. These obligations are valued periodically by independent qualified actuaries.

Multi-employer Defined Benefit Plans and Defined Contribution Plans
The municipality contributes to various National- and Provincial-administered plans on behalf of its qualifying employees. These funds are multi-employer funds (refer to Note 13 of the Annual Financial Statements for details). The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. These funds are actuarially valued tri-annually on the Projected Unit Credit Method basis. Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Consideration is given to any event that could impact the funds up to end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight line basis over the average period until the amended benefits become vested.

1.12 Employee benefits (continued)

To the extent that, at the beginning of the financial period, any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the projected benefit obligation and the fair value of the plan assets (the corridor), that portion is recognised in surplus or deficit over the expected average remaining service lives of participating employees. Actuarial gains or losses within the corridor are not recognised.

Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the entity is demonstrably committed to curtailment or settlement.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

1.13 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. The Municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete. It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capital asset acquired cannot be adequately established. Borrowing costs incurred other than on qualifying assets are recognised as an expense in the Statement of Financial Performance when incurred.

1.14 Property, plant and equipment

Recognition and measurement
Items of property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses, where applicable.

Property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, and other directly attributable costs incurred in the acquisition, establishment and installation of such assets so as to bring them to a working condition for their intended use.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Trade discounts and rebates are deducted in arriving at the cost. Borrowing costs related to the acquisition, construction or production of qualifying assets are capitalised.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired by the Municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

1.14 Property, plant and equipment (continued)

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the assets acquired is initially measured at fair value (the cost). It the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

The cost of day-to-day servicing of property, plant and equipment are recognised in surplus or deficit as incurred.

Leased assets
Leases in terms of which the municipality assumes substantially all the risks and rewards of ownership are classified as finance leases. Vehicles and office equipment acquired by way of finance leases are measured upon initial recognition at an amount equal to the lower of its fair value and the present value of the minimum lease payments less accumulated depreciation and accumulated impairment losses. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to the asset.

Subsequent costs
Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery of the asset are enhanced in excess of the originally assessed standard of performance. If expenditure only restores the originally best estimate of the expected useful life of the asset, then it is regarded as repairs and maintenance and is expensed.

Depreciation
Depreciation is recognised in surplus or deficit on a straight-line basis over the estimated useful life of each item of property, plant and equipment.

Depreciation begins when an asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management, and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with GRAP 100. A non-current asset or disposal group is not depreciated while it is classified as held for sale. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The depreciation rates are initially based on the following originally estimated useful lives and thereafter on the estimated remaining useful lives as at year-end:

1.14 Property, plant and equipment (continued)

Item	Average useful life in years
Infrastructure	
• Electricity	20 - 30
• Roads and paving	3 - 30
• Water	10 - 20
• Gas	20
• Sewerage	3 - 30
• Pedestrian malls	20
• Airports	20
• Security measures	3 - 30
Community	
• Buildings	20 - 30
• Recreational facilities	20
Heritage assets	
• Buildings	Not applicable
Other	
• Office equipment	3 - 5
• Furniture and fittings	7
• Bins and containers	10
• Emergency equipment	5 - 15
• Motor vehicles	3 - 20
• Aircraft	Not applicable
• Watercraft	15
• Plant and equipment	2 - 20
Other - general	
• Animal pounds	5
Land and buildings	
• Buildings	30
• Land	Not applicable

Depreciation methods, useful lives and residual values of assets are reviewed at each reporting date and any changes are recognised as a change in accounting estimate.

Leased assets
Assets held under finance leases are depreciated over the shorter of their expected useful lives or the lease term.

Land
Land is not depreciated as it is deemed to have an indefinite useful life.

Incomplete construction work
Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is available for use.

Heritage assets
Heritage assets which are shown at cost are not depreciated because of the uncertainty regarding their estimated useful lives.

Derecognition
An item of property, plant and equipment is derecognised on disposal or when there are no further economic benefits or service potential expected from its continued use. The book values of assets are written off on disposal. Gains and losses on derecognition of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount (cost less accumulated depreciation and accumulated impairment losses) of property, plant and equipment.

Any gain or loss arising on derecognition of an asset is included in the statement of financial performance in the year the asset is derecognised.

1.14 Property, plant and equipment (continued)

Land and buildings and Other Assets – application of deemed cost (Directive 7)

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. For Land and Buildings the fair value as determined by a valuator was used in order to determine the deemed cost as on 1 July 2007. For Other Assets the depreciated replacement cost method was used to establish the deemed cost as on 1 July 2007.

1.15 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

An asset meets the identifiability criterion in the definition of an intangible asset when it:

- is separable, i.e. is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or
- arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

The Municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the Municipality and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- the Municipality intends to complete the intangible asset for use or sale;
- it is technically feasible to complete the intangible asset;
- the Municipality has the resources to complete the project; and
- it is probable that the municipality will receive future economic benefits or service potential.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Research and development
Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in surplus or deficit when incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure capitalised only if development costs can be measured reliably, the product or processes are technically and commercially feasible, future economic benefits or service potential are probable, and the municipality intends to and has sufficient resources to complete the development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Borrowing costs related to the development of qualifying assets are recognised in surplus or deficit when incurred. Other development expenditure is recognised in surplus or deficit when incurred.

Capitalises development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired separately or internally generated are reported at cost less accumulated amortisation and accumulated impairment losses.

1.15 Intangible assets (continued)

Subsequent costs
After the initial measurement of intangible assets, subsequent expenditure is only capitalised if future economic benefits or service potential over the total life of the intangible assets, in excess of the most recently assessed standard of performance of the existing intangible assets, will flow to the municipality

Amortisation is charged on a straight-line basis over their useful lives, which is estimated to be between 5 to 10 years. (2010: 3 to 5 years). Where intangible assets are deemed to have an indefinite useful life, such intangible assets are not amortised.

Where items of intangible assets have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified except where the impairment reverses a previous revaluation. The impairment loss is the difference between the carrying amount and the recoverable amount

Amortisation methods and useful lives are reviewed annually at the end of the financial year. Any adjustments arising from the annual review are applied prospectively.

De-recognition

Intangible assets are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.16 Investment property

Initial Recognition

Investment property shall be recognised as an asset when, and only when:

- it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the entity, and
- the cost or fair value of the investment property can be measured reliably.

Investment property includes property (land or a building, or part of a building, or both land and buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations. Property with a currently undetermined use, is also classified as investment property.

At initial recognition, the Municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition. The cost of self-constructed investment property is measured at cost.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Municipality accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of investment property are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

1.16 Investment property (continued)

Depreciation and Impairment

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Investment Property	**Years**
Buildings	30

De-recognition

Investment property is derecognised when it is disposed or when there are no further economic benefits expected from the use of the investment property. The gain or loss arising on the disposal or retirement of an item of investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

Application of deemed cost - Directive 7

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. The fair value as determined by a valuator was used in order to determine the deemed cost as on 1 July 2007.

Investment property is land and/or buildings held either to earn rental revenue or for capital appreciation or for both, but not held for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes.

Investment property is measured at historical cost less accumulated depreciation and accumulated impairment losses. Investment property acquired at no or nominal consideration is initially recognised at fair value and subsequently carried at the initially determined fair value less accumulated depreciation and accumulated impairment losses.

The fair value of investment property is determined at the reporting date based on the latest general valuation roll.

1.17 Non-current assets held for sale and disposal groups

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held-for-sale. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the municipality's accounting policies for the individual assets. Thereafter the assets (or disposal group) are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated to assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, employee benefit assets and investment property, which continue to be measured in accordance with the municipality's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in surplus or deficit. Gains are not recognised in excess of any cumulative impairment loss.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in surplus or deficit.

1.18 Impairment

Cash-generating assets

Cash-generating assets are assets held with the primary objective of generating a commercial return.

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the municipality estimates the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. Impairment losses are recognised in the Statement of Financial Performance in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Municipality estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Financial Performance.

Non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Municipality estimates the asset's recoverable service amount.

An asset's recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss recorded in the Statement of Financial Performance.

The value in use of a non-cash-generating asset is the present value of the asset's remaining service potential. The present value of the remaining service potential of the asset is determined using any one of the following approaches:

- depreciated replacement cost approach - the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

1.18 Impairment (continued)

- restoration cost approach - the cost of restoring the service potential of an asset to its pre-impaired level. Under this approach, the present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is usually determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.

- service unit approach - the present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform with the reduced number of service units expected from the asset in its impaired state. As in the restoration cost approach, the current cost of replacing the remaining service potential of the asset before impairment is usually determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If any such indication exists, the Municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for an asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to its recoverable service amount. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods. Such a reversal of an impairment loss is recognised in the Statement of Financial Performance.

1.19 Inventories

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. In general, the basis of determining cost is the weighted average cost of commodities. If inventories are to be distributed at no charge or for a nominal charge they are valued at the lower of cost and current replacement cost.

Unsold properties are valued at the lower of cost and net realisable value on a weighted average cost basis. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

Cost of inventory comprises all costs of purchase, cost of conversion and other cost incurred in bringing the inventory to its present location and condition.

Where inventory is acquired by the Municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related income is recognised. Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values and are sold by public auction.

Water and purified effluent are valued at purified cost insofar as it is stored and controlled in reservoirs at year-end.

1.20 Non current investments

Financial instruments, which include, investments in municipal entities and fixed deposits invested in registered commercial banks, are stated at amortised cost.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

The carrying amounts of such investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments.

1.21 Financial instruments

The municipality has various types of financial instruments and these can be broadly categorised as either financial assets or financial liabilities.

Classification
The municipality classifies financial assets or financial liabilities in the following categories:

Financial Assets
A financial asset is any asset that is a cash or contractual right to receive cash. The municipality has the following types of financial assets as reflected on the face of the statement of financial position or in the notes thereto:

- Listed investments (shares)
- Investments in fixed deposits (banking institutions, etc)
- Loans and Receivables
- Trade and other receivables from exchange transactions
- Other receivables from non-exchange transactions
- Short-term investment deposits
- Cash and cash equivalents

In accordance with IAS 39.09 the financial assets of the municipality are classified into the four categories allowed by this standard:

Type of financial asset	Classification
Listed investments	Held at fair value through surplus or deficit
Short-term Investment Deposits - Call	Held to maturity investments
Short-term Investment Deposits - Notice	Held to maturity investments
Cash and cash equivalents	Loans and Receivables
Loans and receivables	Loans and receivables
Trade and other receivables from exchange transactions	Loans and Receivables
Other receivables from non-exchange transactions	Loans and Receivables
Investments in Fixed Deposits	Held to maturity investments

Financial assets at fair value through surplus or deficit
Financial assets at fair value through surplus or deficit are financial assets that meet either of the following conditions:

- they are classified as held for trading; or
- upon initial recognition they are designated as at fair value through the statement of financial performance.

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned.

Investments are measured initially and subsequently at fair value with gains or losses arising from changes in fair value being included in surplus or deficit for the period. Transaction costs are recognised in surplus or deficit.

1.21 Financial instruments (continued)

Available-for-sale investments
Available-for-sale investments are financial assets that are designated as available-for-sale or not classified as:
- Loans and Receivables
- Held to maturity investments, or
- Financial assets at fair value through surplus or deficit

Available-for-sale investments are initially measured at fair value plus direct transaction costs. Subsequent to initial recognition, available-for-sale investments are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in net assets. When an investment is derecognised, the cumulative gain or loss in net assets is transferred to surplus or deficit in the statement of financial performance.

Loans and Receivables
Loans and receivables are financial assets that are created by providing money, goods or services directly to a customer or counterparty. Loans and receivables are non-derivative financial assets with fixed or determinable payments. They are included in current assets in the statement of financial position, except for maturities greater than 12 months, which are classified as non-current assets. Loans and receivables are recognised initially at cost which represents fair value. After initial recognition financial assets are measured at amortised cost using the effective interest rate method less an allowance for impairment.

Held-to-maturity Investments
Held-to-maturity investments are financial assets with fixed or determinable payments and with fixed maturity where the municipality has the positive intent and ability to hold the investment to maturity. Held-to-maturity investments are initially measured at fair value plus direct transaction costs. At subsequent reporting dates, held-to-maturity investments are measured at amortised cost using the effective interest rate method, less any impairment losses.

Financial Liabilities
A financial liability is a contractual obligation to deliver cash or another financial asset to another entity. The municipality has the following types of financial liabilities, as reflected on the face of the statement of financial position or in the notes thereto:
- Loans and borrowings
- Trade and other payables from exchange transactions
- Bank overdraft
- Short-term loans
- Current portion of Loans and borrowings
- Consumer deposits

In accordance with IAS 39.09 there are two main categories of financial liabilities, the classification determining how they are measured. Financial liabilities may be measured at:
- Fair value through surplus or deficit; or
- Amortised cost

Financial liabilities that are measured at fair value through surplus or deficit are financial liabilities that are essentially held for trading. Financial liabilities measured at fair value through surplus or deficit, are stated at fair value, with any resulted gain or loss recognised in the statement of financial performance.

Any other financial liabilities should be classified as financial liabilities measured at amortised cost, which are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method, with interest expense recognised on an effective yield basis.

1.21 Financial instruments (continued)

Derecognition of financial assets
The municipality derecognises financial assets only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity, except when Council approves the write-off of financial assets due to non recoverability.

If the municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The municipality derecognises financial liabilities when, and only when, the municipality's obligations are discharged, cancelled or they expire.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the deficit is recognised in surplus or deficit within operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Derivatives

Derivative financial instruments, which are not designated as hedging instruments, consisting of foreign exchange contracts and interest rate swaps, are initially measured at fair value on the contract date, and are re-measured to fair value at subsequent reporting dates.

Derivatives embedded in other financial instruments or other non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value with unrealised gains or losses reported in surplus or deficit.

Changes in the fair value of derivative financial instruments are recognised in surplus or deficit as they arise.

Derivatives are classified as financial assets at fair value through surplus or deficit - held for trading.

1.21 Financial instruments (continued)

Held to maturity

These financial assets are initially measured at fair value plus direct transaction costs.

At subsequent reporting dates these are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts. An impairment loss is recognised in surplus or deficit when there is objective evidence that the asset is impaired, and is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Financial assets that the municipality has the positive intention and ability to hold to maturity are classified as held to maturity.

1.22 Revenue

Revenue includes rates levied, grants from other tiers of government and revenue from trading activities and other services provided. Revenue is recognised when it is probable that future economic benefits or service potential will flow to the municipality and these benefits can be reliably measured, except when specifically stated otherwise.

Revenue from the sale of goods in the ordinary course of the municipality's activities is measured at the fair value of the consideration received or receivable, net of value-added tax, estimated returns, rebates and discounts. Revenue from the rendering of services is recognised in surplus or deficit in proportion to the stage of completion of the transaction at the reporting date.

Revenue from Exchange Transactions

Service Charges
Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

In circumstances where services cannot readily be measured and quantified, a flat rate service charge is levied monthly on such properties.

Pre-paid electricity
Revenue from the sale of electricity prepaid units is recognised when the risks and rewards of ownership has passed to the buyer, i.e. at the point of sale. At year-end the recognition is based on an estimate of the prepaid electricity consumed as at the reporting date. The consumption of pre-paid electricity is measured by using a trend analysis and other historical data about electricity usage.

1.22 Revenue (continued)

Interest earned and rentals received
Interest income is recognised in surplus or deficit as it accrues, using the effective interest rate method. Rental income is recognised on a straight-line basis over the lease term. Interest may be transferred from the Accumulated Surplus to the Housing Development Fund.

Interest earned on unutilised conditional grants is not recognised in the statement of financial performance. It is allocated directly to the liability: Unspent Conditional Grants if the grant conditions indicate that interest is payable to the grantor.

Dividends
Dividends are recognised on the date that the municipality becomes entitled to receive the dividend in accordance with the substance of the relevant agreement, where applicable.

Royalties
Royalties are recognised on an accrual basis in accordance with the substance of the relevant agreement. Royalties are recognised on a straight-line basis over the period of the agreement. Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

Tariff Charges
Revenue arising from the application of the approved tariff of charges is recognised when the service is rendered by applying the relevant approved tariff. This includes the issuing of licences and permits.

Agency commission
Commission for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

Housing rental and instalments
Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised as it accrues in surplus or deficit using the effective interest method.

Sale of goods
Revenue from the sale of goods is recognised when the significant risks and rewards of ownership are transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of the goods can be estimated reliably, there is no continuing managerial involvement with the goods, and the amount of revenue can be measured reliably.

Revenue from non-exchange transactions

Rates and taxes
Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised using the effective interest method. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

Fines
Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when payment is received, together with an estimate of spot fines that will be received based on past experience of amounts collected. There is uncertainty regarding recoverability of outstanding fines and summonses. Spot fines are usually not given directly to an offender. Further legal processes have to be undertaken before the spot fine is enforceable. In respect of summonses the Public Prosecutor can decide whether to waive the fine, reduce it or prosecute for non-payment by the offender. It is therefore not possible to measure this revenue when the summons is issued and an estimate of summonses is not included, as a reliable estimate can not be made.

1.22 Revenue (continued)

Donations and Contributions
Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, at the fair value of the property, plant and equipment received or receivable. Contributed property, plant and equipment are recognised when the risks and rewards of ownership have transferred to the municipality.

Revenue from recovery of unauthorised, irregular, fruitless and wasteful expenditure
Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Unconditional grant
An unconditional grant is recognised in surplus or deficit when the grant becomes receivable.

Conditional grants and receipts
Income received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

Interest earned on investments is treated in accordance with grant conditions. If it is payable to the grantor it is recorded as part of the liability and if not it is recognised as interest earned in the statement of financial performance.

Grants that compensate the municipality for expenses incurred are recognised in surplus or deficit on a systematic basis in the same periods in which the expenses are recognised.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs are recognised in the Statement of Financial Performance in the period in which they become receivable.

Grants and receipts of a revenue nature
Income is transferred to the statement of financial performance as revenue to the extent that the criteria, conditions or obligations have been. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs are recognised in the statement of financial performance in the period in which they become receivable.

Grants and receipts of a capital nature
Income received from government grants, whose primary condition is that the municipality should purchase, construct or otherwise acquire non-current assets, is transferred to the statement of financial performance as revenue to the extent that the criteria, conditions or obligations have been. A liability is recognised to the extent that the criteria, conditions or obligations have not been met.

The municipality accounted for government grants in the previous financial year in accordance with the requirements of IAS 20 although, in terms of the ASB's Directive 5 of 2009, IAS 20 was no longer included in the accounting framework for municipalities during 2008/2009. A prior period error has therefore occurred as the municipality did not apply a new accounting policy. The municipality has accounted for government grants for the year ended 30 June 2010 (and retrospectively) in accordance with the requirements of GRAP 9 and ASB Directives 3 and 5.

Public contributions
Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property , plant and equipment is brought into use . Where public contributions have been received but the municipality has not met the condition, a liability is recognised.

1.23 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions or if the related party entity and another entity are subject to common control.

Related parties include:

- Entities that directly, or indirectly through one or more intermediaries, control, or are controlled by the reporting entity;
- Individuals owning, directly or indirectly, an interest in the reporting entity that gives them significant influence over the entity, and close members of the family of any such individual;
- Key management personnel, and close members of the family of key management personnel; and
- Entities in which a substantial ownership interest is held, directly or indirectly, by any person described in the 2nd and 3rd bullet, or over which such a person is able to exercise significant influence.

Key management personnel include:

- All directors or members of the governing body of the entity, being the Executive Mayor, Deputy Mayor, Speaker and members of the Mayoral Committee.
- Other persons having the authority and responsibility for planning, directing and controlling the activities of the reporting entity being the Municipal Manager, Chief Financial Officer an all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

1.24 Unauthorised expenditure

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the statement of financial performance in the year that the expense was incurred and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.25 Irregular expenditure

IIrregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's or Municipal Entities' Supply Chain Management Policies. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the statement of financial performance and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.26 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the statement of financial performance in the year that the expenditure was recorded and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.27 Budget information

As noted, GRAP 24 is not yet effective yet, however budget information required in terms of GRAP 1 paragraph 14 to 18 have been disclosed in the financial statements. The presentation of budget information was prepared in accordance with the best practice guidelines issued by National Treasury.

1.28 Value Added Tax

Revenue, expenses and assets are recognised net of the amounts of value added tax. The net amount of Value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

The Municipality accounts for Value Added Tax on the cash basis. The municipality is liable to account for Value Added Tax at the standard rate (14%) in terms of section 7(1) of the VAT Act, in respect of the supply of goods or services except where the supplies are specifically zero-rated in terms of section 11, exempted in terms of section 12 or is out of scope foe VAT purposes. The timing of payments to or from the South African Revenue Service is the last day of each of the twelve months of the financial year.

1.29 Grant-in-aid

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

- receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- expect to be repaid in future; or
- expect a financial return, as would be expected from an investment.

These transfers are recognised in the Statement of Financial Performance as expenses in the period that the events giving rise to the transfer occurred.

1.30 Cash and cash equivalents

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks and investments in financial instruments, net of bank overdrafts.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

1.31 Foreign currencies

Transactions in foreign currencies are initially recorded at the prevailing exchange rate on the dates of the transactions. Monetary assets and liabilities denominated in such foreign currencies are retranslated at the rates prevailing at the reporting date. Exchange differences are included in the statement of financial performance

1.32 Change in accounting policy, estimates and errors

Changes in accounting policies that are effected by management are applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the annual financial statements where applicable.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Refer to note 39 of the annual financial statements for details of corrections of errors recorded during the period under review.

1.33 Events after reporting date

Events after the reporting date that are classified as adjusting events are accounted for in the annual financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date are disclosed in the notes to the annual financial statements.

1.34 Comparative figures

Current year comparatives
Budgeted amounts have, in accordance with GRAP 1, been provided in an annexure to these financial statements.

Prior year comparatives
When the presentation or classification of items in the annual financial statements is amended, comparative amounts are restated or reclassified except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effect of the amendment. The nature and reason for the restatement or reclassification is disclosed in note 39.

1.35 Share capital/contributions from owners

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment is brought into use . Where public contributions have been received but the municipality has not met the condition, a liability is recognised.

Notes to the Annual Financial Statements

Figures in Rand	2011	2010

2. Inventories

Consumable stores - at cost	8,453,406	8,980,541
Maintenance materials, chemicals and water reserve - at cost	5,417,634	3,231,900
Housing Development Fund - Unsold Units	373,395	708,401
Unsold Properties Held for Resale	290,234,980	297,094,190
	304,479,415	**310,015,032**

The cost of inventories recognised as an expense includes R 9 228 (2010: R 231,430) in respect of impairment of inventory to net realisable value (refer to note 32)

3. Trade receivables from exchange and non-exchange transactions

Gross balances		
Trade receivable from exchange transactions		
Electricity	32,832,335	30,089,903
Housing rental	322,674	470,970
Housing loan instalments	1,221,944	1,445,708
Other consumer debtors	5,004,280	3,512,734
Refuse	11,225,437	10,793,584
Sewerage	13,015,764	12,965,301
Water	20,513,600	20,469,556
Trade receivables from non-exchange transactions		
Rates	22,998,397	17,917,154
	107,134,431	**97,664,910**
Less: Provision for debt impairment		
Trade receivables from exchange transactions		
Electricity	9,957,891	5,949,644
Housing rental	98,328	142,504
Housing loans instalments	339,830	436,776
Other consumer receivables	1,397,316	1,782,183
Refuse	3,305,546	3,654,238
Sewerage	3,832,742	4,391,570
Water	8,907,778	5,314,290
Trade receivables from non-exchange transactions		
Rates	4,936,847	5,263,785
	32,776,278	**26,934,990**
Net balance		
Trade receivables from exchange transactions		
Electricity	22,874,444	24,140,259
Housing rental	224,346	328,466
Housing loan instalments	882,114	1,008,932
Other consumer receivables	3,606,964	1,730,551
Refuse	7,919,891	7,139,346
Sewerage	9,183,022	8,573,731
Water	11,605,822	15,155,266
Trade receivables from non-exchange transactions		
Rates	18,061,550	12,653,369
	74,358,153	**70,729,920**

	2011	2010

3. Trade receivables from exchange and non-exchange transactions (continued)

Electricity		
Current (0 -30 days)	11,946,329	10,634,881
31 - 60 days	12,971,382	13,217,331
61 - 90 days	1,201,623	1,256,983
91 - 120 days	731,958	537,991
121 - 365 days	328,703	415,992
> 365 days	5,652,340	4,026,725
Less: Impairment	(9,957,891)	(5,949,644)
	22,874,444	**24,140,259**
Housing rentals		
Current (0 -30 days)	12,739	11,177
31 - 60 days	21,123	30,453
61 - 90 days	8,667	16,439
91 - 120 days	7,987	12,758
121 - 365 days	6,723	12,608
> 365 days	265,435	387,535
Less: Impairment	(98,328)	(142,504)
	224,346	**328,466**
Housing loans instalments		
Current (0 -30 days)	23,717	64,917
31 - 60 days	31,826	45,348
61 - 90 days	20,327	21,660
91 - 120 days	18,616	18,859
121 - 365 days	16,406	17,987
> 365 days	1,111,052	1,276,937
Less: Impairment	(339,830)	(436,776)
	882,114	**1,008,932**
Other consumer receivables		
Current (0 -30 days)	613,257	199,509
31 - 60 days	1,326,959	308,951
61 - 90 days	376,195	1,308
91 - 120 days	171,756	156,732
121 - 365 days	464,922	139,051
> 365 days	2,051,191	2,707,183
Less: Impairment	(1,397,316)	(1,782,183)
	3,606,964	**1,730,551**

	2011	2010

3. Trade receivables from exchange and non-exchange transactions (continued)

Refuse		
Current (0 -30 days)	520,401	366,784
31 - 60 days	2,067,561	1,771,063
61 - 90 days	522,329	481,458
91 - 120 days	441,763	366,316
121 - 365 days	303,680	328,055
> 365 days	7,369,703	7,479,908
Less: Impairment	(3,305,546)	(3,654,238)
	7,919,891	**7,139,346**
Sewerage		
Current (0 -30 days)	760,224	458,642
31 - 60 days	2,690,400	2,568,488
61 - 90 days	674,073	690,238
91 - 120 days	527,288	493,513
121 - 365 days	379,167	423,758
> 365 days	7,984,612	8,330,662
Less: Impairment	(3,832,742)	(4,391,570)
	9,183,022	**8,573,731**
Water		
Current (0 -30 days)	2,676,117	2,862,186
31 - 60 days	3,925,494	4,047,834
61 - 90 days	834,504	1,168,360
91 - 120 days	658,768	765,234
121 - 365 days	481,947	798,358
> 365 days	11,936,770	10,827,584
Less: Impairment	(8,907,778)	(5,314,290)
	11,605,822	**15,155,266**
Rates		
Current (0 -30 days)	760,379	835,427
31 - 60 days	6,246,915	3,415,369
61 - 90 days	932,662	865,769
91 - 120 days	666,386	560,883
121 - 365 days	443,920	550,369
> 365 days	13,948,135	11,689,337
Less: Impairment	(4,936,847)	(5,263,785)
	18,061,550	**12,653,369**

	2011	2010
3. Trade receivables from exchange and non-exchange transactions (continued)		
Summary of debtors by customer classification		
Consumers		
Current (0 -30 days)	37,579,835	33,572,183
31 - 60 days	2,286,612	2,790,652
61 - 90 days	2,048,474	2,319,800
91 - 120 days	1,540,221	2,167,442
121 - 365 days	16,413,136	14,486,223
> 365 days	30,839,316	30,391,839
	90,707,594	85,728,139
Less: Provision for debt impairment	(27,204,311)	(25,741,092)
	63,503,283	**59,987,047**
Industrial/ commercial		
Current (0 -30 days)	7,264,217	6,010,410
31 - 60 days	840,924	467,083
61 - 90 days	425,074	310,806
91 - 120 days	331,655	267,246
121 - 365 days	2,423,601	1,203,014
> 365 days	3,687,027	2,088,020
	14,972,498	10,346,579
Less: Provision for debt impairment	(5,571,967)	(1,193,898)
	9,400,531	**9,152,681**
National and provincial government and other		
Current (0 -30 days)	559,367	1,168,885
31 - 60 days	33,668	517
61 - 90 days	8,828	443
91 - 120 days	15,883	7,114
121 - 365 days	607,386	215,203
> 365 days	229,207	198,030
	1,454,339	1,590,192
Less: Provision for debt impairment	-	-
	1,454,339	**1,590,192**
Total		
Current (0 -30 days)	45,403,419	40,751,478
31 - 60 days	3,161,204	3,258,252
61 - 90 days	2,482,375	2,631,049
91 - 120 days	1,887,759	2,441,802
121 - 365 days	19,444,123	15,904,439
> 365 days	34,755,551	32,677,890
	107,134,431	97,664,910
Less: Provision for debt impairment	(32,776,278)	(26,934,990)
	74,358,153	**70,729,920**

	2011	2010

3. Trade receivables from exchange and non-exchange transactions (continued)

Less: Provision for debt impairment		
Current (0 -30 days)	6,020,304	1,443,296
31 - 60 days	1,370,155	1,459,381
61 - 90 days	1,075,932	1,178,455
91 - 120 days	818,208	1,093,690
121 - 365 days	8,427,635	7,123,645
> 365 days	15,064,044	14,636,523
	32,776,278	**26,934,990**

Reconciliation of debt impairment provision	**Balance at beginning of year**	**Impairment losses recognised**	**Amounts written off as uncollectable**	**Balance at end of the year**
Exchange transaction				
Electricity	5,949,644	4,566,353	(558,106)	9,957,891
Housing rentals	142,504	-	(44,176)	98,328
Housing loan instalments	436,776	-	(96,946)	339,830
Other consumer receivables	1,782,183	-	(384,867)	1,397,316
Refuse	3,654,238	3,815,548	(4,164,240)	3,305,546
Sewerage	4,391,570	4,883,573	(5,442,401)	3,832,742
Water	5,314,290	13,687,154	(10,093,666)	8,907,778
Non-exchange transaction				
Rates	5,263,785	2,140,701	(2,467,640)	4,936,846
	26,934,990	**29,093,329**	**(23,252,042)**	**32,776,277**

4. Other receivables

Sundry receivables	29,907,900	67,295,163
Salary control accounts	149,614	375,970
Deposits	20,000	20,000
Operating lease asset	186,801	170,139
Short-term loans	15,910	18,770
Non-cash portion of Housing Development Fund	1,483,572	1,700,259
Impairment allowance	(1,065,558)	(1,681,305)
	30,698,239	**67,898,996**

Fair value of trade and other receivables

The management of the municipality is of the opinion that the carrying value of Other Receivables approximate their fair values. The fair value of Other Receivables was determined after considering the standard terms and conditions of agreements entered into between the municipality and National/Provincial Departments as well as other customers. The current payment ratio's of Other Receivables were also taken into account for fair value determination.

	2011	2010

4. Other receivables (continued)

Reconciliation for impairment allowance

Opening balance	1,681,305	1,681,305
Impairment recognised	(503,333)	-
Amounts written off as uncollectable	(112,414)	-
	1,065,558	**1,681,305**

The impairment allowance was calculated after grouping all the financial assets of similar nature and risk ratings and by calculating the historical payment ratios for the groupings and by assuming that the future payment ratios would be similar to the historical payment ratios. The impairment allowance on Other Receivables exists predominantly due to the possibility that these debts will not be recovered. Other Receivables were assessed individually and grouped together at the Statement of Financial Position as financial assets with similar credit risk characteristics and collectively assessed for impairment.

Operating lease asset

Opening balance	170,139	181,253
Operating lease revenue recognised in the Statement of Financial Performance	16,662	(11,114)
	186,801	**170,139**

Operating leases - as lessor (income)

Minimum lease payments due

- within one year	524,294	440,541
- in second to fifth year inclusive	732,360	780,358
- later than five years	684,582	629,363
	1,941,236	**1,850,262**

Operating leases relate to property owned by the municipality with lease terms of between 5 and 20 years, with an option to extend for a further 10 years. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

The municipality has operating lease agreements for the following classes of assets, which are only significant collectively:
· Municipal buildings
· Vacant land

No restrictions have been imposed on the municipality in terms of the operating lease agreements.

5. Loans and receivables

As at 30 June 2011	Gross balance	Impairment allowance	Net balance	Transferred to current assets	Non-current
Housing scheme loans	3,966,317	(3,027,341)	938,976	(181,349)	757,627
Sale of erven loans	162,230	-	162,230	(19,460)	142,770
Loans to other organisations	541,008	-	541,008	(84,778)	456,230
Actaris meter debt	30,656	-	30,656	(30,656)	-
	4,700,211	**(3,027,341)**	**1,672,870**	**(316,243)**	**1,356,627**

	2011	2010

5. Loans and receivables (continued)

As at 30 June 2010	Gross balance	Impairment allowance	Net balance	Transferred to current assets	Non-current
Housing scheme loans	5,223,187	(4,093,367)	1,129,820	(435,695)	694,125
Sale of erven loans	255,984	-	255,984	(44,508)	211,476
Loans to other organisations	613,314	-	613,314	(37,589)	575,725
Actaris meter debt	284,641	-	284,641	(284,641)	-
	6,377,126	**(4,093,367)**	**2,283,759**	**(802,433)**	**1,481,326**

Housing scheme loans
No housing loans may be granted to officials and the public. The outstanding amount is in respect of loans granted before 1 July 2005 and will be recovered over the remaining period of the loan agreements. The interest rate applicable to the loans is 13.5%.

Sale of erven loans
As from 1 July 2006 no loan agreements are entered into for the sale of erven. The outstanding loans will be recovered over the remaining period of the individual loan agreements entered into. The interest rates applicable to the loans varies between 11.0% and 14.5%.

Loans to other organisations
The outstanding amount is in respect of loans granted to sports organisations (Section 185 (a) Ord.20 of 1974) before 1 July 2005 and will be recovered over the remaining period of the loan agreements. The loans consists of a loan to George Golf Club at 17.0% and Outeniqua Bowling Club at 8.0%.

Actaris meter costs
Arrear amounts on services are capitalised on completion of a formal agreement. These arrear amounts are then paid to the municipality in monthly instalments over a period not exceeding 60 months. No interest is charged on these amounts where the stipulations of the agreement are adhered to.

The management of the municipality is of the opinion that the carrying value of loans and receivables recorded at amortised cost in the Annual Financial Statements approximate their fair values.

The fair value of loans and receivables was determined after considering the standard terms and conditions of agreements entered into between the municipality and other parties as well as the current payment ratio's of the municipality's trade receivables.

Reconciliation of impairment allowance

2011	Balance at beginning of year	Impairment losses reversed	Amounts written off as uncollectable	Balance at end of the year
Housing scheme loans	4,093,367	(1,066,026)	-	3,027,341

6. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	19,740	19,740
Bank balances	232,444,469	140,888,437
Short-term deposits	32,381	5,973,247
	232,496,590	**146,881,424**

	2011	2010

6. Cash and cash equivalents (continued)

For the purposes of the cash flow statement, cash and cash equivalents include the above mentioned items, net of outstanding bank overdrafts.

The municipality had the following bank accounts

Account number / description	Bank statement balances		Cash book balances	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010
ABSA BANK - Cheque Account - 102 222 0981	232,695,497	145,722,600	232,444,469	140,888,437
ABSA ACTARIS - Cheque Account - 405 479 8136	-	498,786	-	-
ABSA - Mayor of George Discretionary Fund - 914 955 4208	7,641	98,567	-	-
Cash on hand	-	-	19,740	19,740
Short-term deposits	-	4,932,381	32,381	5,973,247
Total	**232,703,138**	**151,252,334**	**232,496,590**	**146,881,424**

7. Property, plant and equipment

	2011			2010		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Land and Buildings	613,324,208	(12,776,950)	600,547,258	665,982,909	(10,711,307)	655,271,602
Infrastructure	1,397,918,111	(336,880,133)	1,061,037,978	1,234,237,223	(261,332,723)	972,904,500
Community assets	168,749,544	(37,678,713)	131,070,831	161,543,489	(31,733,046)	129,810,443
Heritage assets	607,331	-	607,331	607,331	-	607,331
Other	98,134,799	(45,887,373)	52,247,426	99,806,571	(35,861,740)	63,944,831
Work in progress	20,418,544	-	20,418,544	53,944,978	-	53,944,978
Leased vehicles and equipment	-	-	-	694,894	(574,072)	120,822
Total	**2,299,152,537**	**(433,223,169)**	**1,865,929,368**	**2,216,817,395**	**(340,212,888)**	**1,876,604,507**

Reconciliation of property, plant and equipment - 2011

	Opening balance	Additions	Disposals	Transfers	Transfers from/(to) investment property	Depreciation	Total
Land and buildings	655,271,602	-	(808,700)	-	(51,850,000)	(2,065,644)	600,547,258
Infrastructure	972,904,500	86,296,572	(437,681)	78,073,865	-	(75,799,278)	1,061,037,978
Community assets	129,810,443	6,520,345	-	685,710	-	(5,945,667)	131,070,831
Other	63,944,831	4,878,288	(158,645)	(6,293,825)	-	(10,123,223)	52,247,426
Work in progress	53,944,978	38,939,316	-	(72,465,750)	-	-	20,418,544
Leased vehicles and equipment	120,822	-	-	-	-	(120,822)	-
Heritage assets	607,331	-	-	-	-	-	607,331
	1,876,604,507	**136,634,521**	**(1,405,026)**	**-**	**(51,850,000)**	**(94,054,634)**	**1,865,929,368**

7. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2010

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Land and Buildings	655,920,021	906,323	(14,423)	501,580	(2,041,899)	655,271,602
Infrastructure	769,590,912	92,167,512	(2,405,618)	176,231,248	(62,679,554)	972,904,500
Community assets	114,787,720	11,491,821	-	8,636,734	(5,105,832)	129,810,443
Other	58,458,804	14,229,575	(128,074)	694,145	(9,309,619)	63,944,831
Work in progress	115,736,991	124,271,695	-	(186,063,708)	-	53,944,978
Leased vehicles and equipment	238,486	-	-	1	(117,665)	120,822
Heritage assets	607,331	-	-	-	-	607,331
	1,715,340,265	**243,066,926**	**(2,548,115)**	**-**	**(79,254,569)**	**1,876,604,507**

Borrowing costs capitalised and included in property, plant and equipment

Buildings	13,444	-
Infrastructure	3,247,233	1,482,716
Community assets	76,629	8,626
Other	-	39,621
	3,337,306	**1,530,963**

Assets subject to finance lease (Net carrying amount)

Buildings	(10,711,307)	(12,132,424)
Leased vehicles and equipment	-	120,822
	(10,711,307)	**(12,011,602)**

Refer to Appendices A(1) and A(2) for more detail on property, plant and equipment. The prior period balances were restated for prior period error adjustments, refer to note 39 for more detail.

	2011	2010

8. Intangible assets

	2011			2010		
	Cost	Accumulated amortisation and accumulated impairment	Carrying value	Cost	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	3,310,957	(1,212,175)	2,098,782	2,689,976	(770,236)	1,919,740

Reconciliation of intangible assets - 2011

	Opening balance	Additions	Amortisation	Total
Computer software	1,919,740	620,981	(441,939)	2,098,782

Reconciliation of intangible assets - 2010

	Opening balance	Additions	Amortisation	Total
Computer software	1,746,033	535,273	(361,566)	1,919,740

The prior period balances were restated for prior period error adjustments, refer to note 39 for more detail.

9. Investment property

	2011			2010		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	137,459,659	(139,658)	137,320,001	85,609,659	(134,845)	85,474,814

Reconciliation of investment property - 2011

	Opening balance	Transfer from/(to) property, plant and equipment	Depreciation	Total
Land and Buildings	85,474,814	51,850,000	(4,813)	137,320,001

Reconciliation of investment property - 2010

	Opening balance	Depreciation	Total
Land and Buildings	85,479,627	(4,813)	85,474,814

	2011	2010

9. Investment property (continued)

Other disclosures

Cumulative change in fair value recognised in surplus or deficit on a sale of investment property from a pool of assets in which the cost model is used into a pool in which the fair value model is used	-	-
Included in the surplus for the year are the following:		
Total rental income from investment property	243,115	183,509
Total operating expenses arising from investment property generating rental revenue	(14,800)	(33,393)
Total operating expenses arising from investment property not generating rental revenue	-	-
	228,315	**150,116**

10. Loans and borrowings

Annuity loans	546,544,157	507,603,258
Other loans	4,858,878	5,844,705
	551,403,035	**513,447,963**
Non-current liabilities		
Annuity loans	517,095,289	482,525,317
Other loans	3,774,473	4,858,878
	520,869,762	**487,384,195**
Current liabilities		
Annuity loans	29,448,868	25,077,941
Other loans	1,084,405	985,827
	30,533,273	**26,063,768**
	551,403,035	**513,447,963**

Annuity loans
Annuity loans are repaid over periods varying from 4 years to 18 years (2010: 5 years to 19 years) and at interest rates varying from 6,75% to 12,665% (2010: 6,75% to 12,665%) per annum. Annuity loans are not secured.

Other loans
Other loans are repaid over periods varying from 2 years to 9 years (2010: 3 years to 10 years) and at interest rates varying from 7,835% to 12,00% per annum (2010: 7,835% to 12,00%). Other loans are not secured.

	2011	2010

11. Trade and other payables from exchange transactions

Trade payables	43,435,873	35,814,454
Payments received in advanced	7,242,460	5,427,885
Retentions	18,389,240	20,497,413
Accrued bonus	5,542,566	5,030,972
Sundry Deposits	5,640,714	5,403,735
Other payables	12,956,166	11,604,102
Operating lease liability	13,324	32,012
	93,220,343	**83,810,573**

The average credit period on purchases is 30 days from the receipt of the invoice, as determined by the MFMA. No interest is charged for the first 30 days from the date of receipt of the invoice. Thereafter interest is charged in accordance with the credit policies of the various individual creditors that the municipality deals with. The municipality has financial risk policies in place to ensure that all payables are paid within credit timeframe.

The management of the municipality is of the opinion that the carrying value of trade and other payables approximate their fair values. The fair value of trade and other payables was determined after considering the standard terms and conditions of agreements entered into between the municipality and other parties.

Operating leases with fixed escalation clauses are recognised on the straight-line basis. The operating lease liability was calculated as follows:

Operating lease liability		
Balance at beginning of year	32,012	49,310
Operating lease expenses recognised in the Statement of Financial Performance	(18,688)	(17,298)
	13,324	**32,012**

Refer to note 34 for information on operating lease commitments.

Accrued bonus		
Balance at beginning of the year	5,030,972	-
Provision recognised during the year	511,594	-
Recognised of bonus accrual according to restatement (refer to 39.13)	-	5,030,972
	5,542,566	**5,030,972**

12. VAT payable

VAT payables	16,012,423	6,062,254

VAT is payable to SARS on the payment basis. Only once payment is received from customers, VAT is paid over to SARS.

No interest is payable to SARS if the VAT is paid over timeously, but interest for late payments is charged according to SARS policies. The municipality has financial risk policies in place to ensure that payments are effected before the due date.

	2011	2010

13. Consumer deposits

Electricity and water	14,897,278	13,411,780
Guarantees		
Guarantees held in lieu of electricity and water deposits	7,176,495	6,906,025

Consumer deposits are paid by consumers on application for new water and electricity connections. The deposits are repaid when the water and electricity connections are terminated. In cases where consumers default on their accounts, the municipality can utilise the deposit as payment for the outstanding account.

14. Employee benefit obligations

Post-retirement medical aid benefits liability	79,484,092	68,257,006
Ex-gratia pension benefits liability	2,609,187	2,779,056
Long services awards	10,427,364	8,515,432
Total amount of non-current liability for employee benefits	92,520,643	79,551,494
Current portion of post-retirement medical aid benefits liability	3,506,160	3,237,816
Current portion of ex-gratia pension benefit liability	263,076	293,578
Current portion of long service awards	992,870	844,981
Staff leave	15,290,448	12,888,918
Performance bonus	596,918	787,706
Total amount of current liability for employee benefits	20,649,472	18,052,999
Post-retirement medical aid benefits liability	82,990,252	71,494,822
Ex-gratia pension benefits liability	2,872,263	3,072,634
Long services awards	11,420,234	9,360,413
Staff leave	15,290,448	12,888,918
Performance bonus	596,918	787,706
	113,170,115	97,604,493

Total amount for employee benefits

Post-retirement medical aid benefit liability

The municipality provides certain post-retirement medical benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. No other post-retirement benefits are provided to these employees.

The most recent actuarial valuations of the present value of the defined benefit obligation were carried out at 30 June 2011. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

In-service members (Employees)	440	449
In-service (Employees) non-members	507	522
Continuation members (Retirees, widowers and orphans)	125	123
	1,072	**1,094**

	2011	2010
14. Employee benefit obligations (continued)		
In-service members	31,516,858	25,983,456
Continuation members	51,473,394	45,511,366
	82,990,252	**71,494,822**

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

- Bonitas

- Global Health

- LA Health

- Key Health

- Samwumed

The Current-service cost for the year ending 30 June 2012 is estimated to be R 2 683 271 (2011: R 2 148 916) whereas the interest cost for the ensuing year is estimated to be R 6 985 028 (2011: R 6 430 686).

The principal assumptions used for the purposes of the actuarial valuations were as follows:

i) Rate of interest		
Discount rate	8.59 %	9.20 %
Health care cost inflation rate	7.26 %	7.21 %
Net effective discount rate	1.25 %	1.86 %
Expected retirement age - females	62	62
Expected retirement age - males	62	62

ii) Mortality rates	
Pre-retirement	SA 85 - 90 mortality table
Post-retirement	PA(90) ultimate mortality table

iii) Normal retirement age
The normal retirement age for employees of the municipality was assumed to be 65 years where data was unavailable.

The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	82,990,252	71,494,822
Fair value of plan assets	-	-
	82,990,252	71,494,822
Unrecognised past-service cost	-	-
Unrecognised actuarial gains / (losses)	-	-
Present value of unfunded obligations	82,990,252	71,494,822
Net Liability	82,990,252	71,494,822

The amount recognised in the Statement of Financial Performance are as follows:		
Current service cost	2,148,916	2,200,992
Interest cost	6,430,686	6,658,896
Recognised actuarial losses/(gains)	6,153,644	4,366,418
Total included in staff cost (refer to note 24)	14,733,246	13,226,306

	2011	2010

14. Employee benefit obligations (continued)

The movement in the defined benefit obligation over the year is as follows:

Balance at beginning of year	71,494,822	61,550,332
- Recognised past service cost	-	-
- Current service cost	2,148,916	2,200,992
- Interest cost	6,430,686	6,658,896
- Actuarial losses / (gain)	6,153,644	4,366,418
- Benefits paid	(3,237,816)	(3,281,816)
Balance at end of year	82,990,252	71,494,822

The effect of a 1 % movement in the assumed rate of health care cost inflation is as follows:

Increase		
Effect on the current service cost and interest cost	10,062,700	10,593,188
Effect on the defined benefit obligation	95,901,000	82,130,000
Decrease		
Effect on the current service cost and interest cost	(7,385,300)	(7,494,605)
Effect on the defined benefit obligation	(72,435,000)	(62,758,000)

Ex-gratia pension benefit liability

The Ex-gratia pension benefit plan is a defined benefit plan. As at 30 June 2011, 25 pensioners were eligible for payments in terms of this plan.

The Municipality provides pension benefits to all employees that are not members of the Pension or Provident Funds, that have completed at least 10 years of service at the Council and have reached the age of 60. The benefit is calculated according to the average annual salary earned during the last year of service multiplied by number of years of service, divided by 60.

The current-service cost for the ensuing year is estimated to be Rnil, whereas the interest cost for the next year is estimated to be R237 737.

Pensioners	3	3
	3	3

The principal assumptions used for the purposes of the actuarial valuations were as follows:

i) Rate of interest		
Discount rate	7.92 %	8.27 %
Pension increase rate	2.69 %	2.58 %
Net effective discount rate	5.09 %	5.55 %
Expected retirement age - females	62	62
Expected retirement age - males	62	62

ii) Mortality rates	
Pre-retirement	SA 85 - 90 mortality table
Post-retirement	PA(90-1) ultimate mortality table

iii) Normal retirement age

The normal retirement age for employees of the municipality was assumed to be 65 years where data was unavailable.

	2011	2010

14. Employee benefit obligations (continued)

The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	2,872,263	3,072,634
Fair value of plan assets	-	-
	2,872,263	3,072,634
Unrecognised past-service cost	-	-
Unrecognised actuarial gains / (losses)	-	-
Present value of unfunded obligations	2,872,263	3,072,634
Net Liability	2,872,263	3,072,634
The amount recognised in the Statement of Financial Performance are as follows:		
Current service cost	-	-
Interest cost	266,081	303,801
Recognised actuarial losses/(gains)	(172,874)	2,724,271
Total included in staff cost (refer to note 24)	93,207	3,028,072
The movement in the defined benefit obligation over the year is as follows:		
Balance at beginning of year	3,072,634	329,828
- Recognised past service cost	-	-
- Current service cost	-	-
- Interest cost	266,081	303,801
- Actuarial losses / (gains)	(172,875)	2,724,271
- Benefits paid	(293,577)	(285,266)
Balance at end of year	2,872,263	3,072,634

Long service awards

The municipality's obligation for Long Service Awards is a defined benfit plan. This plan is wholly unfunded as no contributions are made by the muncipality into funds that are legally separate from the municipality and from which the employee benefits are paid (each subsequent financial year's expected payments of long service bonuses are budgeted for).

The muncipality, in substance, underwrites the actuarial and investment risks associated with the plan. Consequently, the expense recognised for the defined benefit plan is the full additional liability accrued due to additional benefit entitlement. The municipality's net obligation in respect of the defined benefit long service allowances is the present value of the defined benefit obligation less the fair value of any plan assets, together with adjustments for unrecognised actuarial gains or losses and past service cost. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows of the benefits that will be paid to employees and using suitable interest rates.

The calculation is performed by registered actuaries using the projected unit credit method. The most recent actuarial valuations of the present value of the defined benefit obligation were carried out at 30 June 2011.

At year end, 951(2010: 955) employees were eligible for Long-services Allowances. The future service cost for the ensuing year is estimated to be R 1 248 052 (2011: R 1 123 137), whereas the interest cost for the ensuing year is estimated to be R 855 422 (2011: R 679 379).

	2011	2010

14. Employee benefit obligations (continued)

The principal assumptions used for the purposes of the actuarial valuations were as follows:

i) Rate of interest		
Discount rate	7.82 %	9.08 %
Benefit inflation rate	6.28 %	6.41 %
Net effective discount rate	1.45 %	2.51 %
Expected retirement age - females	62	62
Expected retirement age - males	62	62
ii) Mortality rates		
Pre-retirement	SA 85 - 90 mortality table	
Post-retirement	PA(80) ultimate mortality table	

iii) Normal retirement age
The normal retirement age for employees of the municipality was assumed to be 65 years where data was unavailable.

The amounts recognised in the Statement of Financial Position are as follows:		
Projected fund obligations	11,420,234	9,360,413
Plan assets	-	-
	11,420,234	9,360,413
Unrecognised past-service cost	-	-
Unrecognised actuarial gains / (losses)	-	-
Present value of unfunded obligations	11,420,234	9,360,413
Net Liability	11,420,234	9,360,413
The amount recognised in the Statement of Financial Performance are as follows:		
Current service cost	1,123,137	520,433
Interest cost	679,379	520,188
Recognised actuarial losses/(gains)	1,102,286	2,926,587
Total included in staff cost (refer to note 24)	2,904,802	3,967,208
The movement in the defined benefit obligation over the year is as follows:		
Balance at beginning of year	9,360,413	6,166,536
- Current service cost	1,123,137	520,433
- Interest cost	679,379	520,188
- Recognised actuarial losses	1,102,286	2,926,587
- Benefits paid	(844,981)	(773,331)
Balance at end of year	11,420,234	9,360,413

	2011	2010

14. Employee benefit obligations (continued)

Multi-employer retirement benefit information

Employees belong to a variety of approved Pension and Provident Funds as described below. These schemes are subject to either a tri-annual, bi-annual or annual actuarial valuation, details which are provided below.

The Cape Joint Pension Fund and Cape Joint Retirement Fund are defined benefit plans, whereas the Municipal Councillors Fund and the Providend Fund are defined contribution plans. All of these afore-mentioned funds are multi-employer plans. Sufficient information is not available to use defined benefit accounting for the pension and retirement funds, due to the following reasons:

- The assets of each fund are held in one portfolio and are not notionally allocated to each of the participating employers
- One set of financial statements is compiled for each fund and financial statements are not drafted for each participating employer.
- The same rate of contribution applies to all participating employers and no regard is paid to differences in the membership distribution of the participating employers.

It is therefore seen that each fund operates as a single entity and is not divided into sub-funds for each participating employer. The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions. Where councillors / employees leave the plans prior to full vesting of the contributions, the contributions payable by the municipality are reduced by the amount of forfeited contributions.

The total expense recognised in the Statement of Financial Performance of R17 731 255 represents contributions payable to these plans by the municipality at rates specified in the rules of the plans.

Included in defined contribution plan information above, are the following plans which are a Multi-Employer Funds and are Defined Benefit Plans, but due to the fact that sufficient information are not available to enable the municipality to account for the plans as defined benefit plans, the municipality accounted for these plans as defined contribution plans:

Cape Joint Pension Fund

The Cape Joint Pension Fund's contribution rate payable is 9% by the members and 18% by Council. The last valuation performed for the year ended 30 June 2009 revealed that the fund had an actuarial surplus of R182, 73 million with a funding level of 106.5%, and was in a sound financial state as at 30 June 2009.

During the previous financial year a Council Meeting was held and it was noted that George Municipality is liable for a payment of R 8 284 726 to the Cape Joint Fund. Although payment is currently due, the trustees of the fund are aware of the fact that Council may not be able to pay the full amount due to budgetary constraints. The matter will be resolved in due course.

Cape Joint Retirement Fund

The contribution rate paid by the members 9% (2009: 9%) and Council 18% (2009: 18%) is sufficient to fund the benefits accruing from the fund in future. The last valuation performed for the year ended 30 June 2009 revealed that the fund had no actuarial surplus with a funding level of 100%. The fund was certified to be in a sound financial position as at 30 June 2010.

	2011	2010

14. Employee benefit obligations (continued)

SALA Pension Fund:

At the valuation date of 1 July 2009 the SALA Pension Fund was 96% (1 July 2006: 110%) funded. The valuator indicated that although the fund was less than 100% funded at the valuation date, no additional action was required at that stage to rectify the situation. The valuator recommended that the employers continue to contribute at the current rate.

The contribution rate paid by the members (8.60%) and Council (18.07%) is sufficient to fund the benefits accruing from the fund in the future.

During the current and previous financial year SALA Pension Fund informed Council that council is liable for a payment of R 5 832 915 (2010: R 2 584 680). Although payment is currently due, the trustees of the fund are aware of the fact that Council may not be able to pay the full amount due to budgetary constraints. The matter will be resolved in due course.

Municipal Councillors Pension Fund:

The actuarial valuator of the Pension Fund for councillors on 30 June 2008 stated that it is in a sound financial position.

The Municipal Councillors Pension Fund operates as a defined contribution scheme. The contribution rate paid by the members (13,75%) and Council (15,00%) is sufficient to fund the benefits accruing from the fund in the future.

No further details could be provided for after the last valuation, being 30 June 2008.

South African Municipal Workers Union Pension Fund

The actuarial valuator of the Pension Fund for members on 30 June 2005 stated that it is in a sound financial position.

The contribution rate paid by the members (9.00%) and Council (18.00%) is sufficient to fund the benefits accruing from the fund in the future.

	2011	2010

15. Provisions

Reconciliation of provisions - 2011

	Opening Balance	Additions	Total
Cape Joint Pension fund	8,478,342	1,240,597	9,718,939
Clearing of alien vegetation	725,000	25,000	750,000
Provision relating to legal claims	364,470	1,030,079	1,394,549
	9,567,812	**2,295,676**	**11,863,488**

Reconciliation of provisions - 2010

	Opening Balance	Additions	Reversed during the year	Total
Cape Joint Pension Fund	8,016,092	462,250	-	8,478,342
Clearing of alien vegetation	-	725,000	-	725,000
Provision relating to legal claims	403,164	-	(38,694)	364,470
	8,419,256	**1,187,250**	**(38,694)**	**9,567,812**

Non-current liabilities	750,000	725,000
Current liabilities	11,113,488	8,842,812
	11,863,488	**9,567,812**

The provision relates to management's best estimate of the municipality's exposure to financial losses due to court cases instituted against it. The provision is expected to be utilised within the next year.

Cape Joint Pension Fund

In terms of the rules of the Cape Joint Pension Fund, approved and registered by the Financial Services board 6 January 2006, local authoroties are liable to in certain circumstances make good a shortfall in the Fund's annual earnings. The fund's actuaries has calculated that there is a shortfall in the investment returns in respect of the defined benefits component of the Fund. The municipality is liable for a pro rata portion of R8 016 092 and annual interest chargable.

Clearing of alien vegetation

The municipality has an obligation to clear alien vegetation. The provision represents the present cost to clear the alien vegetation. This was based on the current clearing cost of R15 000 per hectare (2010: R14 500 per hectare) and the total size of land of 50 hectares to be cleared. There is no definite commitment on expenditure for the clearing of backlog alien vegetation.

Provisions relating to legal claims consist of the following:

- An amount of R364 470 (2010:R364 470) was awarded to Shirley Steyn, but Council is busy with a submission requesting the court to set the matter aside.
- Mr. LH Fourie had a disciplinary hearing in progress at year end which was concluded on 25 July 2011, whereby he was subsequently found guilty of eight charges of gross misconduct. The matter was referred by Mr. Fourie to the SALGBC and a settlement amount of R77 175 was reached on 30 September 2011.

	2011	2010

15. Provisions (continued)

- Mr. CS Marais had a disciplinary hearing in progress at year end which was concluded on 8 August 2011, whereby he was subsequently found guilty of gross negligence relating to his failure to comply with provisions of the Preferential Procurement Regulation and the Municipal Finanance Management Act (MFMA). The matter was referred by Mr. Marais to the SALGBC and a settlement was reached whereby he would be going on early retirement as of 1 January 2012. Furthermore, Mr. Marais shall be on paid leave for the months of October to December 2011 and the municipality is liable for a severance package to the value of R952 904.

16. Unspent conditional grants and receipts

Unspent Grants	**34,311,043**	**13,411,597**
National Government Grants	14,458,249	5,889,844
Provincial Government Grants	19,453,615	7,319,637
District Municipality	202,116	202,116
Other - DBSA	197,063	-
Less: Unpaid Grants	**(25,047,826)**	**(61,495,215)**
National Government Grants	-	-
Provincial Government Grants	(25,047,826)	(61,495,215)
	9,263,217	**(48,083,618)**

The amount of unspent conditional grants and receipts is invested in ring-fenced investment accounts until utilised.

Unconditional Grants		
Equitable Share	59,340,462	43,526,573
Conditional Grants		
Grants and Donations	147,654,337	112,681,191
Subsidies	2,311,872	2,299,592
Total Government Grants and Subsidies	**209,306,671**	**158,507,356**
Government Grants and Subsidies - Capital	72,168,452	95,910,391
Government Grants and Subsidies - Operating	137,138,219	62,596,965
	209,306,671	**158,507,356**

The municipality does not expect any significant changes to the level of grants.

Equitable share		
Opening balance	-	-
Grants received	59,340,462	43,526,573
Conditions met - Operating	(59,340,462)	(43,526,573)
Conditions met - Capital	-	-
Conditions still to be met	**-**	**-**

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

National: Finance Management Grant (FMG)		
Opening balance	2,802,301	4,343,555
Grants received	1,000,000	750,000
Conditions met - Operating	(1,515,899)	(2,291,254)
Conditions met - Capital	(674,901)	-
Conditions still to be met/(Grant expenditure to be recovered)	**1,611,501**	**2,802,301**

	2011	2010

16. Unspent conditional grants and receipts (continued)

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).

National: Municipal Systems Improvement Grant (MSIG)		
Opening balance	85,207	-
Grants received	750,000	400,000
Transfers	-	-
Conditions met - Operating	(398,199)	(314,793)
Conditions still to be met/(Grant expenditure to be recovered)	**437,008**	**85,207**

The MSIG was used for building in-house capacity to perform municipal functions and stabilise institutional and governance systems.

National: Municipal Infrastructure Grant (MIG) - Disaster		
Opening balance	44,492	6,506,264
Grants received	-	-
Conditions met - Operating	-	-
Conditions met - Capital	(44,492)	(6,461,772)
Conditions still to be met/(Grant expenditure to be recovered)	**-**	**44,492**

Disaster Management Grant was used in mitigation of the flood damage experienced in 2007/2008. The conditions of the grant have been met.

National: Flood Damage Grant		
Opening balance	(1,187,838)	(2,302,641)
Grants received	3,000,000	1,614,803
Conditions met - Operating	(1,475,556)	(500,000)
Conditions met - Capital	-	-
Conditions still to be met/(Grant expenditure to be recovered)	**336,606**	**(1,187,838)**

The Flood Damage Grant was used for repairs and rectification of damages to houses that were incurred due to flood damages.

National: Municipal Infrastructure Grant (MIG)		
Opening balance	(7,567,128)	240,920
Grants received	22,174,467	12,399,000
Conditions met - Operating	-	-
Conditions met - Capital	(13,370,781)	(20,207,048)
Conditions still to be met/(Grant expenditure to be recovered)	**1,236,558**	**(7,567,128)**

The grant was used to construct roads and storm water infrastructure, with the main focus on the historically disadvantaged areas.

National: Regional Bulk Infrastructure Grant (RBIG)		
Opening balance	-	-
Grants received	17,162,687	7,000,000
Conditions met - Operating	-	-
Conditions met - Capital	(8,000,000)	(7,000,000)
Conditions still to be met/(Grant expenditure to be recovered)	**9,162,687**	**-**

	2011	2010

16. Unspent conditional grants and receipts (continued)

The grant was used to construct municipal bulk infrastructure for water and waste water.

National: Integrated National Electrification Grant		
Opening balance	-	-
Grants received	2,000,000	-
Conditions met - Operating	-	-
Conditions met - Capital	(1,776,251)	-
Conditions still to be met/(Grant expenditure to be recovered)	**223,749**	**-**

The National Electrification Grant was used to upgrade the sub-station and electrification network.

National: Electricity Demand Side Management Grant		
Opening balance	2,957,843	72,281
Grants received	6,000,000	7,172,000
Conditions met - Operating	(3,653,872)	-
Conditions met - Capital	(4,895,454)	(4,286,438)
Conditions still to be met/(Grant expenditure to be recovered)	**408,517**	**2,957,843**

The National Electrification Grant was used to implement the Electricity Demand Side Management (EDSM) programme by providing capital subsidies to licensed distributors to address EDSM in residential dwellings, communities and commercial buildings in order to mitigate the risk of load shedding and supply interruptions.

National: Municipal Drought Relief Grant		
Opening balance	(39,362,788)	-
Grants received	75,000,000	15,000,000
Conditions met - Operating	(2,582,590)	-
Conditions met - Capital	(32,012,998)	(54,362,788)
Conditions still to be met/(Grant expenditure to be recovered)	**1,041,624**	**(39,362,788)**

The Municipal Drought Relief Grant was used to finance the basic water supply infrastructure upgrading for drought affected areas.

National: Expanded Public Works Program Grant (EPWP)		
Opening balance	-	-
Grants received	-	116,550
Conditions met - Operating	-	-
Conditions met - Capital	-	(116,550)
Conditions still to be met/(Grant expenditure to be recovered)	**-**	**-**

The Expanded Public Works Program Grant was used to increase labor employment through infrastructure programmes that increase jobs creation and skills development.

Provincial: Mobility Strategy Grant		
Opening balance	4,977,613	3,605,967
Grants received	9,900,000	5,500,000
Conditions met - Operating	-	(3,026,326)
Conditions met - Capital	(7,824,053)	(1,102,028)
Conditions still to be met/(Grant expenditure to be recovered)	**7,053,560**	**4,977,613**

The Mobility Strategy Grant was used for plans, facilities, roads and operational systems that will assist with the movement of people in the public transport system, including provision for persons with special needs.

	2011	2010

16. Unspent conditional grants and receipts (continued)

Provincial: Housing Grants		
Opening balance	(11,464,544)	(13,105,100)
Grants received	64,591,709	9,589,646
Conditions met - Operating	(63,438,716)	(5,791,140)
Conditions met - Capital	(2,999,040)	(2,157,950)
Conditions still to be met/(Grant expenditure to be recovered)	**(13,310,591)**	**(11,464,544)**

The Housing grants were utilised for the development of erven, erection of top structures and basic sanitation services.

Provincial: Other Provincial Grants		
Opening balance	429,107	1,519,272
Grants received	2,183,000	2,664,000
Conditions met - Operating	(1,921,052)	(3,421,800)
Conditions met - Capital	(28,235)	(332,365)
Conditions still to be met/(Grant expenditure to be recovered)	**662,820**	**429,107**

Various grants are received from Provincial Government for sanitation, libraries, transport, disaster relief etc; with the main grants being: Community Development Workers, Library services, Local Government Master Planning, Maintenance of proclaimed roads and Spatial Development Framework.

District: Eden District Municipality Grants		
Opening balance	202,116	552,116
Grants received	500,000	-
Conditions met - Operating	(500,000)	(350,000)
Conditions met - Capital	-	-
Conditions still to be met/(Grant expenditure to be recovered)	**202,116**	**202,116**

The Eden grants comprise amounts received and to be utilised for the refuse transfer station and storm water master planning.

Other Grants		
Opening balance	-	-
Grants received	3,051,184	3,235,529
Conditions met - Operating	(2,311,873)	(3,235,529)
Conditions met - Capital	(542,248)	-
Conditions still to be met/(Grant expenditure to be recovered)	**197,063**	**-**

Total Grants		
Opening balance	(48,083,618)	1,432,635
Grants received	266,653,506	108,991,101
Conditions met - Operating	(137,138,219)	(62,596,965)
Conditions met - Capital	(72,168,452)	(95,910,389)
Conditions still to be met/(Grant expenditure to be recovered)	**9,263,217**	**(48,083,618)**

Notes to the Annual Financial Statements

	2011	2010

17. Housing development fund

Unappropriated surplus	17,327,418	16,699,615
Loans extinguished by Government on 1 April 1998	53,383,243	53,383,243
	70,710,661	**70,082,858**

The housing development fund is represented by the following assets and liabilities

Housing selling scheme loans	3,766,902	4,773,195
Inventory	373,395	708,401
Trade and other receivables from exchange transactions	1,483,572	1,700,259
Trade and other receivables from non-exchange transactions	15,439,272	5,000,000
Short term investments	49,647,520	57,901,003
Total Housing Development Fund Assets and Liabilities	**70,710,661**	**70,082,858**

	2011	2010

18. Property rates

Rates received

Commercial	26,366,191	23,426,848
Housing Schemes	43,754	44,778
Industrial	7,021,909	6,457,778
Other (Flat rate)	51,652	49,122
Residential	117,783,083	107,540,912
State (Domestic)	184,406	169,800
State (Erven and school - business tariff)	5,851,384	5,538,049
Less: Impermissible rates	(4,004,248)	(7,294,560)
Less: Income forgone	(30,897,164)	(27,882,680)
Less: Equitable Shares utilised	(3,652,964)	(3,558,754)
	118,748,003	**104,491,293**

Valuations

Commercial	5,412,890,892	5,242,078,408
Industrial	1,441,574,320	1,445,016,320
Municipal (non-taxable valuations)	1,378,444,640	1,362,824,190
Residential	27,014,468,658	26,885,228,042
State (Domestic)	42,295,000	42,450,000
State (Erven and schools)	1,201,269,371	1,239,214,371
	36,490,942,881	**36,216,811,331**

Assessment rates are levied on the total value of property, which valuation must be performed every four years. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations, consolidations and subdivisions.

A rebate of 20% (2010: 20%) was allowed on residential properties, excluding residential properties in the rural areas, whilst rebates of 10% - 40% (2010: 10% - 40%) were applied to pensioners, based on the annual income of the ratepayer. A discount of 20% was granted to the State. Business tariffs are levied at 0.4871 (2010: 0.4469) for Commercial, Industrial, State Erven and Schools, and this were applicable for all Areas.

Rates are levied annually on property owners and are payable by 30 September. Owners are allowed to pay the annual assessment in 12 monthly instalments, which are payable on the 15th of each month. Interest is levied at the prime rate plus 1% on outstanding rates amounts.

George

30 June 2011	Site Valuations R	Building Valuations R	Total Valuations R	Actual Rates Levied R
Commercial	179,100,500	3,392,430,870	3,571,531,370	17,396,929
Industrial	89,595,820	1,351,978,500	1,441,574,320	7,021,909
Residential	2,074,723,860	16,031,954,695	18,106,678,555	78,945,119
State (domestic)	13,730,000	28,565,000	42,295,000	184,406
State (erven and school)	140,972,000	948,070,000	1,089,042,000	5,304,724
Municipal (non-taxable valuations)	799,267,840	579,176,800	1,378,444,640	-
	3,297,390,020	22,332,175,865	25,629,565,885	108,853,087

	2011	2010

18. Property rates (continued)

George

30 June 2010	Site Valuations R	Building Valuations R	Total Valuations R	Actual Rates Levied R
Commercial	183,405,020	3,220,892,370	3,404,297,390	15,213,805
Industrial	88,845,820	1,356,170,500	1,445,016,320	6,457,778
Residential	2,275,661,020	15,778,846,195	18,054,507,215	72,218,029
State	13,885,000	28,565,000	42,450,000	189,709
State (erven and school)	140,972,000	947,370,000	1,088,342,000	4,863,800
Municipal (non-taxable valuations)	800,328,190	562,496,000	1,362,824,190	-
	3,503,097,050	21,894,340,065	25,397,437,115	98,943,121

Wilderness, Herolds Bay, Victoria Bay, Oubaai & Kleinkrantz 30 June 2011	Site Valuations R	Building Valuations R	Total Valuations R	Actual Rates Levied R
Commercial	70,427,000	618,702,150	689,129,150	3,356,748
Residential	1,216,956,151	3,999,267,680	5,216,223,831	22,742,736
State (erven and school)	24,110,000	17,122,000	41,232,000	200,841
	1,311,493,151	4,635,091,830	5,946,584,981	26,300,325

Wilderness, Herolds Bay, Victoria Bay, Oubaai & Kleinkrantz 30 June 2010	Site Valuations R	Building Valuations R	Total Valuations R	Actual Rates Levied R
Commercial	7,457,000	639,030,150	646,487,150	3,170,698
Residential	1,281,735,151	3,860,259,000	5,141,994,151	20,567,977
State (erven and school)	31,640,000	12,322,000	43,962,000	196,466
	1,320,832,151	4,511,611,150	5,832,443,301	23,935,141

Hoekwil, Wilderness Heights & Touwsranten Smallholdings 30 June 2011	Site Valuations R	Building Valuations R	Total Valuations R	Actual Rates Levied R
Commercial	1,040,000	55,574,004	56,614,004	275,767
Residential	138,703,120	548,450,200	687,153,320	2,995,988
State (erven and school)	-	1,515,000	1,515,000	7,380
	139,743,120	605,539,204	745,282,324	3,279,135

	2011	2010

18. Property rates (continued)

Hoekwil, Wilderness Heights & Touwsranten Smallholdings	Site Valuations	Building Valuations	Total Valuations	Actual Rates Levied
30 June 2010	R	R	R	R
Commercial	1,040,000	52,713,500	53,753,500	240,224
Residential	138,816,474	556,876,750	695,693,224	2,782,773
State (erven and school)	-	1,515,000	1,515,000	6,771
	139,856,474	611,105,250	750,961,724	3,029,768

Rural areas	Site Valuations	Building Valuations	Total Valuations	Actual Rates Levied
30 June 2011	R	R	R	R
Commercial	162,839,100	932,777,268	1,095,616,368	5,336,747
Residential	1,038,629,540	1,965,783,412	3,004,412,952	13,099,240
State (erven and school)	47,200,490	22,279,881	69,480,371	338,439
	1,248,669,130	2,920,840,561	4,169,509,691	18,774,426

Rural areas	Site Valuations	Building Valuations	Total Valuations	Actual Rates Levied
30 June 2010	R	R	R	R
Commercial	160,830,100	913,710,268	1,074,540,368	4,802,121
Residential	1,040,234,040	1,952,799,412	2,993,033,452	11,972,134
State	49,215,490	56,179,881	105,395,371	471,012
	1,250,279,630	2,922,689,561	4,172,969,191	17,245,267

Total for all areas	Site Valuations	Building Valuations	Total Valuations	Actual Rates Levied
30 June 2011	R	R	R	R
Commercial	413,406,600	4,999,484,292	5,412,890,892	26,366,191
Housing schemes	-	-	-	43,754
Industrial	89,595,820	1,351,978,500	1,441,574,320	7,021,909
Other (flat rate)	-	-	-	51,652
Residential	4,469,012,671	22,545,455,987	27,014,468,658	117,783,084
State	13,730,000	28,565,000	42,295,000	184,406
State (erven and school)	212,282,490	988,986,881	1,201,269,371	5,851,384
Municipal (non-taxable valuations)	799,267,840	579,176,800	1,378,444,640	-
	5,997,295,421	30,493,647,460	36,490,942,881	157,302,380

	2011	2010

18. Property rates (continued)

Total for all areas

30 June 2010	Site Valuations R	Building Valuations R	Total Valuations R	Actual Rates Levied R
Commercial	415,732,120	4,826,346,288	5,242,078,408	23,426,848
Housing schemes	-	-	-	44,778
Industrial	88,845,820	1,356,170,500	1,445,016,320	6,457,778
Other (flat rate)	-	-	-	49,122
Residential	4,736,446,685	22,148,781,357	26,885,228,042	107,521,003
State	13,885,000	28,565,000	42,450,000	189,709
State (erven and school)	221,827,490	1,017,386,881	1,239,214,371	5,538,049
Municipal (non-taxable valuations)	800,328,190	562,496,000	1,362,824,190	-
	6,277,065,305	29,939,746,026	36,216,811,331	143,227,287

The last General Valuation came into effect on 1 July 2008.

Uniform rates of 0,4360 (2010: 0,4000) cent in the Rand on total valuations were applied to determine assessment rates.

A rebate of 80,00% (2010: 80,00%) was allowed on residential properties for rural areas.

19. Government grants and subsidies

Provincial: Equitable share	59,340,462	43,526,573
Provincial: Housing subsidy	64,914,272	6,291,140
Provincial: Proclaimed roads subsidy	325,000	229,000
Provincial: Community Development Workers	173,581	129,800
Finance mangement grant	1,515,899	2,291,254
Literacy programmes and training funds	523,978	687,191
Other subsidies	2,772,248	8,560,029
Library	938,117	783,000
Expanded Public Works Project	-	116,550
Municipal Drought Relief Grant	2,582,590	-
Electricity Demand Side Grant	3,653,872	-
Municipal Systems Improvement Grant	398,199	314,793
Capital government grant reserve - National	53,269,424	88,031,611
Capital government grant reserve - Provincial	10,851,328	3,259,977
Capital government grant reserve - Other	8,047,701	4,286,438
	209,306,671	**158,507,356**

	2011	2010

20. Service charges

Fire Station - Sale of Water	12,507	7,618
Refuse removal	30,484,078	26,305,310
Sale of electricity	310,240,246	267,361,365
Sale of water	61,864,066	56,001,529
Sewerage and sanitation charges	46,462,330	40,852,063
	449,063,227	**390,527,885**

The amounts disclosed above for revenue from service charges are in respect of services rendered which are billed to the consumers on a monthly basis according to the approved tariff.

21. Rental revenue

Buildings	627,455	667,340
Halls	375,709	351,418
Other facilities	825,495	800,423
	1,828,659	**1,819,181**

22. Other income

Application fees for second dwelling	179,325	197,122
Building plan fees and related income	4,028,222	4,518,628
Contributions received for capital projects	5,627,287	5,777,779
Sundry income	6,308,846	7,157,957
Public donations received	-	3,000,000
Sale of erven	5,356,462	10,763,377
	21,500,142	**31,414,863**

The amounts disclosed above for Other Income are in respect of services rendered, other than described in notes 18 - 21, which are billed to or paid for by the users as the services are required according to approved tariffs.

23. Investment revenue

Interest revenue		
Interest income on loans and receivables		
Art 185(a) arrangements	97,346	109,086
Land sales	22,392	74,815
Outstanding trade receivables	3,579,887	3,196,811
Selling schemes	586,395	735,669
Victoria Bay loans	10,217	10,693
External investments		
Interest income on bank deposits	11,555,573	4,395,847
Interest income on short term investments	3,217,611	10,276,830
	19,069,421	**18,799,751**

	2011	2010
24. Personnel costs		
Basic	142,260,914	138,916,684
Housing benefits and allowances	1,270,805	1,425,851
Long-service awards	1,039,279	1,753,097
Medical aid - company contributions	8,655,116	7,274,477
Other payroll levies	2,901,619	2,585,008
Overtime payments	13,774,965	11,424,737
Post-employment defined benefits	17,731,255	20,221,586
- Current service cost	3,272,053	2,721,425
- Interest cost	7,376,146	7,482,885
- Actuarial losses recognised	7,083,056	10,017,276
Travel, motor car, accommodation, subsistence and other allowances	12,113,945	11,659,002
UIF	1,284,013	1,242,058
Pension	20,352,858	18,214,551
WCA	1,201,364	1,699,399
Acting allowances	2,571,184	759,608
SDL	1,688,152	1,632,988
Ad hoc trips	897,639	931,154
	227,743,108	**219,740,200**
Remuneration of Municipal Manager/Acting Municipal Manager		
Annual Remuneration	836,118	866,778
Car Allowance	11,500	84,000
Performance Bonuses	-	77,439
Contributions to UIF, Medical and Pension Funds	1,373	1,497
Acting expenses	1,252,169	234,778
Accumulated Leave	202,203	-
	2,303,363	**1,264,492**
Remuneration of Director Financial Services/Acting Director Financial Services		
Annual Remuneration	756,820	602,797
Car Allowance	15,000	90,000
Performance Bonuses	63,600	107,782
Contributions to UIF, Medical and Pension Funds	39,093	115,088
Acting expenses	513,911	54,954
	1,388,424	**970,621**
Remuneration of Assistant Municipal Manager		
Acting expenses	66,647	288,524
	66,647	**288,524**
Remuneration of Director Corporate Services/Acting Director Corporate Services		
Annual Remuneration	402,537	-
Performance Bonuses	-	83,304
	402,537	**83,304**

	2011	2010

24. Personnel costs (continued)

Remuneration of Director Community Safety Services/Acting Director Community Safety Services

Annual Remuneration	251,619	510,113
Car Allowance	53,644	118,080
Performance Bonuses	-	95,760
Contributions to UIF, Medical and Pension Funds	64,858	129,125
Acting expenses	233,806	77,431
Accumulated Leave	104,953	-
	708,880	**930,509**

Remuneration of Director Planning and Housing

Annual Remuneration	588,878	529,181
Car Allowance	96,000	96,000
Performance Bonuses	37,791	95,760
Contributions to UIF, Medical and Pension Funds	147,663	143,834
Acting expenses	32,248	14,579
	902,580	**879,354**

Remuneration of Director Environmental Affairs

Annual Remuneration	557,183	496,976
Car Allowance	139,200	139,200
Performance Bonuses	52,908	95,760
Contributions to UIF, Medical and Pension Funds	136,158	132,838
Acting expenses	35,201	38,126
	920,650	**902,900**

Remuneration of Director Civil Engineering Services

Annual Remuneration	592,139	546,375
Car Allowance	132,000	132,000
Performance Bonuses	48,102	101,573
Contributions to UIF, Medical and Pension Funds	135,022	124,827
Acting expenses	2,870	11,942
	910,133	**916,717**

Remuneration of Director Electro- Technical Services

Annual Remuneration	532,314	488,422
Car Allowance	144,000	144,000
Performance Bonuses	37,791	95,760
Contributions to UIF, Medical and Pension Funds	133,759	124,895
Acting expenses	11,056	22,382
	858,920	**875,459**

	2011	2010

25. Remuneration of councillors

Executive Mayor	441,174	391,945
Deputy Executive Mayor	267,666	278,970
Speaker	325,876	345,761
Mayoral Committee Members	2,229,064	1,766,086
Councillors	3,560,406	3,349,329
Councillors' pension contribution	729,300	714,145
Travelling expenses	2,538,158	2,323,070
Cellphone expenses	515,858	473,679
Councillors' contribution to medical aid	83,792	114,883
	10,691,294	**9,757,868**

In-kind benefits

The Councillors occupying the positions of Executive Mayor, Deputy Executive Mayor, Speaker and Executive Mayor Committee Members of the municipality serve in a full-time capacity. They are provided with office accommodation and secretarial support at the expense of the municipality in order to enable them to perform their official duties.

The Executive Mayor and Deputy Executive Mayor have use of a Council owned vehicle for official duties.

26. Depreciation and amortisation

Property, plant and equipment	94,054,636	79,196,181
Intangible assets	441,939	361,567
Investment property	4,813	4,813
	94,501,388	**79,562,561**

27. Impairment of assets

Impairments		
Impairment of trade and other receivables	27,523,970	13,946,099

28. Finance costs

Finance leases	-	4,710
Loans and borrowings	52,847,533	47,337,356
	52,847,533	**47,342,066**

The weighted average capitalisation rate on funds borrowed generally is 10.47% per annum (2010: 9.70%).

29. Bulk purchases

Electricity	192,835,737	151,841,435

Bulk purchases are the cost of commodities not generated by the municipality, which the municipality distributes in the municipal area for resale to the consumers. Electricity is purchased from Eskom. No water is purchased.

30. Contracted services

Other Contractors	94,626,895	34,039,033

	2011	2010

31. Grants and subsidies paid

Other subsidies		
Bursary Grants	251,865	181,107
Festival	-	616,805
Gifts	205,000	361,082
International Sevens Rugby	3,559,523	3,250,475
Merit Grants	31,200	32,938
Social Services Projects	20,000	-
SPCA - Small Animal Pound	1,056,786	1,065,173
	5,124,374	**5,507,580**

The Bursary grants are in respect of providing bursaries.

Festival money received from the Extended Public Works Programme was utilised to create work and job opportunities in the community.

Gifts are paid to assist individuals from the community in need caused by a disastrous event.

International Sevens Rugby grants are made available by the Mayor on application, after consulting with the Municipal Manager on the merits of such an application.

Merit Grants received from the Extended Public Works Programme were utilised to create work and job opportunities in the community.

Social Service Projects are paid to assist individuals from the community in need caused by a disastrous event.

SPCA Grant is available on application after consulting with the Acting Municipal Manager on the merit of such an application.

32. General expenses

Advertising	952,678	785,786
Auditors remuneration	3,332,981	2,581,694
Bank charges	906,370	1,000,555
Chemicals	7,249,274	7,164,885
Clearing of alien vegetation	25,000	725,000
Consulting and professional fees	166,583	241,623
Energy Costs	4,933,186	4,958,360
Flood Damage	1,475,556	500,000
IT expenses	190,882	9,235
Insurance	1,728,126	1,301,917
Lease rentals on operating lease	1,046,964	1,535,478
Motor vehicle expenses	500,175	-
Net Realisable Value written-down for inventory	9,228	231,430
Other General Expenses	47,904,037	43,228,568
Printing and stationery	1,930,586	2,083,265
Telephone and fax	2,593,028	1,926,184
Training	1,137,959	1,006,522
Travel - local	435,159	614,170
	76,517,772	**69,894,672**

These figures for the prior period have been adjusted, refer to the note on comparative figures (note 39) for more detail with regards to this change.

Notes to the Annual Financial Statements

	2011	2010
33. Cash generated from operations		
(Deficit) surplus	(10,316,029)	3,488,884
Adjustments for:		
Depreciation and amortisation	94,501,388	79,562,561
Loss on sale of non-current assets and disposal groups	440,326	2,466,861
Gain on sale of non-current assets and disposals groups	-	(95,218)
Interest income	(19,079,501)	(18,799,751)
Finance costs	51,759,061	47,342,066
Movement in Provision for doubtful debts (Trade receivables)	27,523,970	13,946,099
Bad debts written off	(23,364,456)	(11,607,563)
Movement in bonus provision	511,594	5,030,972
Movements in Emloyee benefit assets and liabilities - Medical Aid, Pension and Long Service Awards	17,731,255	20,221,586
Movements in Employee benefit assets and liabilities - Staff leave	2,401,530	1,955,924
Movements in Employee benefit assets and liabilities - Performance Bonuses	(190,789)	(129,036)
Movements in provisions	2,295,676	(2,194,131)
Operating lease expenses accrued due to straightlining	(35,350)	(6,184)
Fair value adjustment of inventory	9,228	231,430
Benefits paid regarding employee benefits	(4,376,374)	(4,340,413)
Grants received	266,653,506	108,991,101
Grants paid	(209,306,671)	(158,507,354)
Changes in working capital:		
Inventories	5,535,617	25,890,149
Trade receivables from non-exchange transactions	(9,469,520)	(13,553,470)
Other receivables from exchange transactions	883,642	(4,548,832)
Trade and other payables from exchange transactions	9,346,845	18,556,397
VAT	9,950,169	4,455,493
Consumer deposits	1,485,498	2,736,651
	214,890,615	**121,094,222**

Notes to the Annual Financial Statements

	2011	2010
34. Commitments		
Authorised capital expenditure		
Approved and contracted for:		
• Infrastructure	84,480,240	81,862,400
• Community	3,670,000	1,300,000
	88,150,240	**83,162,400**
Approved but not yet contracted for:		
• Infrastructure	65,027,760	66,950,000
• Community	4,904,000	15,765,000
• Other	4,830,000	9,303,900
	74,761,760	**92,018,900**
Total Capital Commitments	**162,912,000**	**175,181,300**
These expenses will be financed from:		
• External loans	53,770,000	65,781,240
• Capital replacement reserve	34,984,000	20,352,400
• Government grants	70,158,000	78,547,660
• Other resources	4,000,000	10,500,000
	162,912,000	**175,181,300**
Operating leases - as lessee (expense)		
Minimum lease payments due		
- within one year	478,364	495,326
- in second to fifth year inclusive	421,119	313,278
	899,483	**808,604**
The total operating lease liability (refer to note 11)	13,324	32,012

Operating leases relate to property, plant and equipment with lease terms not longer than 5 years, with an option to extend for a further period. All operating lease contracts contain market review clauses in the event that the municipality exercises its option to renew. The municipality does not have an option to purchase the leased asset at the expiry of the lease period.

	2011	2010

35. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

2011

	Amortised Cost	Total
Long-term Receivables		
Housing Scheme Loans	757,627	757,627
Sale of Erven Loans	142,770	142,770
Loans to Other Organisations	456,230	456,230
Trade receivables from exchange transactions		
Service Debtors	51,583,179	51,583,179
Housing Rentals	224,346	224,346
Housing Loan Instalments	882,114	882,114
Other Debtors	3,606,964	3,606,964
Trade receivables from non-exchange transactions		
Rates	18,061,550	18,061,550
Other receivables		
Sundry and other receivables	30,511,438	30,511,438
Current Portion of Long-term Receivables		
Housing Scheme Loans	181,349	181,349
Sale of Erven Loans	19,460	19,460
Loans to Other Organisations	84,778	84,778
Actaris Meter Debt	30,656	30,656
Bank Balances and Cash		
Cash on Hand	19,740	19,740
Bank Balance	232,444,469	232,444,469
Short-term Deposits	32,381	32,381
	339,039,051	**339,039,051**

	2011	2010

35. Financial assets by category (continued)

2010

	Amortised Cost	Total
Long-term Receivables		
Housing Scheme Loans	694,125	694,125
Sale of Erven Loans	211,476	211,476
Loan to Other Organisations	575,725	575,725
Trade receivables from exchange transactions		
Service Debtors	55,008,602	55,008,602
Housing Rentals	328,466	328,466
Housing Loan Instalments	1,008,932	1,008,932
Other Debtors	1,730,551	1,730,551
Trade receivables from non-exchange transactions		
Rates	12,653,369	12,653,369
Other receivables		
Sundry and other receivables	67,728,857	67,728,857
Current Portion of Long-term Receivables		
Housing Scheme Loans	435,695	435,695
Sale of Erven Loans	44,508	44,508
Loans to Other Organisations	37,589	37,589
Actaris Meter Debt	284,641	284,641
Bank Balances and Cash		
Cash on Hand	19,740	19,740
Bank Balance	140,888,437	140,888,437
Short-term Deposit	5,973,247	5,973,247
	287,623,960	**287,623,960**

	2011	2010

36. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

2011

	Financial liabilities at amortised cost	Total
Long-term liabilities		
Annuity loans	517,095,289	517,095,289
Other loans	3,774,473	3,774,473
Consumer Deposits		
Electricity and Water	14,897,278	14,897,278
Payables		
Trade payables	80,421,993	80,421,993
Current portion of long-term liabilities		
Annuity loans	29,448,868	29,448,868
Other loans	1,084,405	1,084,405
	646,722,306	**646,722,306**

2010

	Financial liabilities at amortised cost	Total
Long-term liabilities		
Annuity loans	482,525,317	482,525,317
Other loans	4,858,878	4,858,878
Consumer Deposits		
Electricity and Water	13,411,780	13,411,780
Payables		
Trade Payables	73,319,704	73,319,704
Current portion of long-term liabilities		
Annuity loans	25,077,941	25,077,941
Other loans	985,827	985,827
	600,179,447	**600,179,447**

Notes to the Annual Financial Statements

	2011	2010

37. Contingent liabilities

Guarantees	32,381	32,381

The municipality issued bank guarantees in respect of building society and commercial bank housing loans to municipal officials in favour of the lending institutions.

Council is involved in the following law suits for breach of contract and compensation for damages. Council is defending the matters and it is anticipated that the matters will be concluded during the ensuing financial year.

Breach of contract		
Panasonic Business Systems Southern Cape	85,551	85,551
Compensation for damages		
Magdalena Ruiters	-	85,000
Dr MC Chimes	-	61,272
MP Adendorff	-	2,820,661
James & 10 others	1,748,000	1,748,000
MTO Forestry	972,315	972,315
Golden Rewards 1357 CC	294,274	-
	3,100,140	5,772,799

The municipality is involved in a legal claim from SA Local Authorities Pension Fund to the value of R5 832 915, resulting from a retrospective employer contribution rate increase. The claim against the municipality is currently being disputed.

The municipality is involved in a legal claim of R108 000 from JE & JA Maree. The claim is for the repayment municipal rates, taxes and costs pursuant to expropriation of portion 29 of the farm 197, Sandkraal. The matter is currently being disputed by the municipality.

Mr D Beeka had a disciplinary hearing which was cocluded after year end, whereby he was subsequently found guilty of intentionally and unlawfully excluding two candidates from consideration for appointment to the post of Traffic Chief, while knowing that they were preferred candicates for the post. The matter was referred by Mr. Beeka to SALGBC claiming a settlement of R1 300 000 from the municipality. The matter is set for hearing in January 2012.

Notes to the Annual Financial Statements

	2011	2010

38. Related parties

Relationships

Councillor	Until 17 May 2011	From 18 May 2011
- Ward 1	C Laws	BA Fortuin
- Ward 2	C Neethling	C Neetling
- Ward 3	TJ Botha	EP de Villiers
- Ward 4	RA Kruger	LD van Wyk
- Ward 5	LBC Esau	LBC Esau
- Ward 6	AT Jantjies	JJ Muller
- Ward 7	FZ Ntozini	FZ Ntozini
- Ward 8	B Petrus	C Standers
- Ward 9	T Teyisi	T Teyisi
- Ward 10	JS Thanda	MD Gingcana
- Ward 11	NF Kamte	NF Kamte
- Ward 12	FS Guga	GN Sixolo
- Ward 13	CT Williams	B Salmani
- Ward 14	HJ Jones	CM Papah
- Ward 15	CM Remas	FS Guga
- Ward 16	RW Londt	HJ Jones
- Ward 17	D Maritz	D Maritz
- Ward 18	SJ Bezuidenhout	GC Niehaus
- Ward 19	IC Kritzinger	IC Kritzinger
- Ward 20	MJ Mbuzwana	M Draghoender
- Ward 21		JS Thanda
- Ward 22		PH de Swart
- Ward 23		GJ Stander
Proportional	JST Alberts	SJ Bezuidenhout
Proportional	NA Bityi	C Bob
Proportional	C Bob	TJ Botha
Proportional	BM Cornelius	BM Cornelius
Proportional	PH de Swardt	NNE Dlephu
Proportional	M Draghoender	J du Toit
Proportional	PJL Grobler	T Fortuin
Proportional	DH Hartman	V Gericke
Proportional	BF Heynes	F Harris
Proportional	PB Komani	WT Harris
Proportional	PS Leholo	LS Hayward
Proportional	JJ Muller	NV Kom
Proportional	J Ncamazana	PB Komani
Proportional	M Olivier	PS Leholo
Proportional	J Pretorius	SM Mekana
Proportional	ML Rabinowitz	B Petrus
Proportional	PJ van der Hoven	LN Qupe
Proportional	AJ van Zyl	GMY Sihoyiya
Proportional	W Witbooi	I Stemela
Proportional		PJ van der Hoven
Proportional		AJ van Zyl
Proportional		CT Williams
Proportional		W Witbooi

	2011	2010

38. Related parties (continued)

Directors	
Directorate Financial Services	CJ Kapp (Acting)
Directorate Civil Engineering Services	H Basson
Directorate Enviromental Services	AJ Smith
Directorate Community Services	B Nelson (Acting)
Directorate Planning & Housing	SB Erasmus
Directorate Electrotechnical Services	K Grünewald
Municipal Manager	T Botha (Acting)

Related party transactions

Related transactions for the year ended 30 June 2011		Rates	Service charges	Total	Outstanding balance
Municipal manager & Councillors					
Executive mayor	C Stander	715	4,105	4,820	-
Deputy Mayor	D Maritz	-	2,582	2,582	-
Speaker	M Draghoender	-	-	-	-
Ex-Co Memb.: Enviromental Affairs	I Stemela	35	2,964	2,999	249
Ex-Co Memb.: Electrotechnical Services	W Harris	3,022	1,548	4,570	-
Ex-Co Memb.: Corporate & HR	B Cornelius	889	4,045	4,934	-
Ex-Co Memb.: Civil Engineering	JJ Muller	-	348	348	-
Ex-Co Memb.: Financial Services	LD van Wyk	9,158	1,159	10,317	370
Ex-Co Memb.: Community Safety	I Kritzinger	3,157	5,932	9,089	-
Ex-Co Memb.: Sport and Recreation	BA Fortuin	1,546	3,464	5,010	417
Ex-Co Memb.: Planning and Housing	H Jones	-	-	-	-
Councillor: Ward 2	C Neetling	4,818	6,226	11,044	990
Councillor: Ward 3	EP de Villiers	5,075	4,856	9,931	799
Councillor: Ward 5	L Esau	2,773	4,307	7,080	-
Councillor: Ward 7	F Ntozini	-	-	-	-
Councillor: Ward 9	T Teyisi	-	-	-	-
Councillor: Ward 10	MD Gingcana	-	-	-	-
Councillor: Ward 11	N Kamte	-	4,872	4,872	-
Councillor: Ward 12	GN Sixolo	-	2,104	2,104	-
Councillor: Ward 13	B Salmani	-	-	-	-
Councillor: Ward 14	CM Papah	-	-	-	-
Councillor: Ward 15	FS Guga	-	3,961	3,961	-
Councillor: Ward 18	GC Niehause	10,485	19,938	30,423	1,067
Councillor: Ward 21	JS Thanda	-	1,735	1,735	-
Councillor: Ward 22	PH de Swart	7,208	3,471	10,679	-
Councillor: Ward 23	GJ Stander	9,365	5,171	14,536	1,165
Councillor: PR	SJ Bezuidenhout	5,284	3,843	9,127	-
Councillor: PR	C Bob	1,203	4,187	5,390	-
Councillor: PR	TJ Botha	6,958	6,298	13,256	1,089
Councillor: PR	NNE Dlephu	-	-	-	-
Councillor: PR	J du Toit	-	-	-	-
Councillor: PR	T Fortuin	-	4,095	4,095	292
Councillor: PR	V Gericke	-	-	-	-
Councillor: PR	F Harris	52	1,604	1,656	-
Councillor: PR	LS Haywood	7,203	3,890	11,093	13
Councillor: PR	NV Kom	-	2,010	2,010	-
Councillor: PR	PB Komani	-	3,404	3,404	-

				2011	2010
38. Related parties (continued)					
Councillor: PR	PS Leholo	-	2,314	2,314	-
Councillor: PR	SM Mekana	-	3,373	3,373	-
Councillor: PR	B Petrus	-	2,693	2,693	277
Councillor: PR	LN Qupe	-	-	-	-
Councillor: PR	GMY Sihoyiya	-	2,963	2,963	123
Councillor: PR	PJ van der Hoven	4,796	4,776	9,572	-
Councillor: PR	AJ van Zyl	9,709	1,153	10,862	73
Councillor: PR	CT Williams	-	4,790	4,790	-
Councillor: PR	W Witbooi	-	-	-	-
Section 57 Personnel					
Municipal Manager - Acting	T Botha	-	-	-	-
Deputy Municipal Manager - Acting	S James	-	-	-	-
Director Financial Services - Acting	C Kapp	8,916	5,483	14,399	518
Director: Community Safety - Acting	BJ Nelson	3,645	5,684	9,329	183
Director: Electrotechnical Services	K Grünewald	5,842	3,478	9,320	-
Director: Civil Engineering Services	H Basson	7,608	7,914	15,522	1,280
Director: Planning and Housing	SB Erasmus	-	1,412	1,412	154
Director: Enviromental Affairs	A Smith	5,459	3,715	9,174	112
Councillors, Municipal Manager & Section 57 Personnel		124,921	161,867	286,788	9,171

Related transactions for the year ended 30 June 2010		Rates	Service charges	Total	Outstanding balance
Municipal manager & Councillors					
Executive mayor	M Draghoender	-	-	-	-
Speaker	B Petrus	-	2,853	2,853	-
Ex-Co Memb.: Enviromental Affairs	S Leholo	-	1,920	1,920	-
Ex-Co Memb.: Electrotechnical Services	M Olivier	-	2,531	2,531	-
Ex-Co Memb.: Corporate & HR	T Teyisi	-	-	-	-
Ex-Co Memb.: Strategic Services		-	-	-	-
Ex-Co Memb.: Civil Engineering	M Rabinowitz	2,448	3,450	5,898	-
Ex-Co Memb.: Financial Services	C Williams	-	4,565	4,565	-
Ex-Co Memb.: Community Safety	J Ncamazana	288	2,606	2,894	-
Ex-Co Memb.: Planning and Housing	B Cornelius	816	3,593	4,409	-
Councillor: Ward 1	C Laws	-	2,231	2,231	-
Councillor: Ward 3	TJ Botha	6,384	4,984	11,368	877
Councillor: Ward 4	A Kruger	3,248	4,179	7,427	-
Councillor: Ward 5	L Esau	2,544	4,152	6,696	-
Councillor: Ward 6	A Jantjies	352	5,251	5,603	-
Councillor: Ward 7	F Ntozini	-	-	-	-
Councillor: Ward 10	J Thanda	-	1,920	1,920	-
Councillor: Ward 11	N Kamte	-	3,983	3,983	24
Councillor: Ward 12	F Guga	-	3,494	3,494	-
Councillor: Ward 14	H Jones	-	-	-	-
Councillor: Ward 15	M Remas	2,640	5,127	7,767	-
Councillor: Ward 17	D Maritz	-	2,711	2,711	-
Councillor: Ward 18	S Bezuidenhout	4,848	3,268	8,116	585
Councillor: Ward 19	I Kritzinger	2,896	6,139	9,035	-
Councillor: Ward 20	J Mbuzwana	-	2,491	2,491	-
Councillor: PR	A Bityi	-	2,491	2,491	-
Councillor: PR	J Pretorius	672	2,491	3,163	-
Councillor: PR	D Hartman	352	3,047	3,399	-

				2011	2010
38. Related parties (continued)					
Councillor: PR	PJ van der Hoven	4,400	4,674	9,074	-
Councillor: PR	A van Zyl	6,352	3,678	10,030	87
Councillor: PR	P Grobler	3,472	9,905	13,377	986
Councillor: PR	B Heynes	2,106	11,307	13,413	-
Councillor: PR	P Komani	-	2,892	2,892	-
Councillor: PR	J Muller	319	-	319	-
Councillor: PR	C Bob	1,104	2,491	3,595	-
Councillor: PR	C Neetling	4,420	4,930	9,350	-
Councillor: PR	R Londt	2,064	11,681	13,745	-
Councillor: PR	J Alberts	5,264	3,591	8,855	594
Councillor: PR	P de Swart	6,608	4,601	11,209	-
Councillor: PR	W Witbooi	-	-	-	-
Section 57 Personnel					
Municipal Manager	CM Africa	4,832	3,081	7,913	39
Deputy Municipal Manager - Acting	S James	-	-	-	-
Director Financial Services	LH Fourie	6,416	3,926	10,342	-
Director Financial Services - Acting	M Cupido	1,872	4,448	6,320	-
Director: Community Safety	D Beeka	4,432	7,143	11,575	-
Director: Community Safety - Acting	BJ Nelson	3,344	5,188	8,532	409
Director: Electrotechnical Services	K Grünewald	5,360	3,786	9,146	-
Director: Civil Engineering Services	H Basson	6,980	7,491	14,471	1,188
Director: Planning and Housing	SB Erasmus	-	1,241	1,241	-
Director: Enviromental Affairs	A Smith	5,008	3,319	8,327	-
Councillors, Municipal Manager & Section 57 Personnel		101,841	178,850	280,691	4,789

The services rendered to related parties are charged at approved tariffs that were advertised to the public. No bad debts were written off or recognised in respect of amounts owed by related parties.

The amounts outstanding are unsecured and will be settled in cash. Consumer deposits were received from councillors, the municipal manager and Section 57 personnel. No expense has been recognised in the period for bad or doubtful debts in respect of the amounts owed by related parties.

Loans granted to related parties
In terms of the MFMA, the municipality may not grant loans to its Councillors, Management, Staff and Public with effect from 1 July 2004. Loans, together with the conditions thereof, granted prior to this date are disclosed in note 5 to the Annual Financial Statements.

Compensation of related parties
Compensation of Key Management Personnel and Councillors is set out in notes 24 and 25, to the Annual Financial Statements.

	2011	2010

38. Related parties (continued)

Purchases from related parties

The municipality bought goods from the following companies, which are considered to be Related Parties:

Company name	Related person	Company capacity	Capacity at Municipality	Relationship	Purchases for the year
ACVV	Mrs R de Swardt	Chairperson	Councillor	Cousin	3,203
Seebosrand Catering	Mrs ME Claasen	Manager	Employee	Cousin	86,423
Distinctive Catering Event	Mrs W Scheepers	Owner	Employee	Cousin	161,840
Nashua George	Mr HCF van Zyl	Director	Councillor	Wife	905,515
Forma Plan CC	CWE Schiemann	Director	Teacher	Same individual	3,762
Ninive Trading cc	Mr V Gericke	Director	Employee	Same individual	32,100
Tuinroete Agri	Mr S Mkhize	Director	Service of the State	Same individual	215,349
Earl-Nique Decorators CC	J Paulse	Owner	Director	Same individual	70,600
Dement Consultants	Goolam Pandit	Manager	Librarian	Wife	99,000
Omnisolar	JE Albert	Councillor	Councillor	Same individual	8,869
ABSA Bank Ltd (5 year contract)	Mrs M Ramos	CEO	Minister	Husband	860,295
Vela VKE Consulting Engineers (Pty) Ltd (3 year contract)	Mr J Basson	Director	Senior Manager	Same individual	2,679,975

	2011	2010

39. Prior period errors and reclassifications

Certain comparative figures have been reclassified due to incorrect allocations in the prior period. These reclassifications do not have any effect on the accumulated surplus except where indicated.

The correction of the error(s) and reclassifications are as follows:

STATEMENT OF FINANCIAL POSITION

	2010 previously reported	Adjustments for errors	Reclassify and change in policy adjustments	2010 restated
Assets				
Current assets				
Inventories	312,956,993	(2,941,961)	-	310,015,032
Trade receivables from exchange and non-exchange transactions	77,184,296	-	(6,454,376)	70,729,920
Other receivables	72,572,130	550,562	(5,223,696)	67,898,996
VAT	-	-	-	-
Loans and receivables	802,433	-	-	802,433
Cash and cash equivalents	145,840,558	-	1,040,866	146,881,424
	609,356,410	(2,391,399)	(10,637,206)	596,327,805
Non-current assets				
Property, plant and equipment	1,894,827,203	(18,222,696)	-	1,876,604,507
Intangible assets	1,607,802	311,938	-	1,919,740
Investment property	-	85,474,814	-	85,474,814
Loans and receivables	3,497,152	(2,015,826)	-	1,481,326
	1,899,932,157	65,548,230	-	1,965,480,387
Total assets	2,509,288,567	63,156,831	(10,637,206)	2,561,808,192
Liabilities				
Current liabilities				
Loans and borrowings	26,063,768	-	-	26,063,768
Trade and other payables from exchange transactions	77,676,925	5,281,550	852,098	83,810,573
VAT	6,574,920	(512,666)	-	6,062,254
Consumer deposits	14,263,878	-	(852,098)	13,411,780
Employee benefits	18,096,999	(44,000)	-	18,052,999
Deferred revenue (payables from non-exchange transactions)	-	-	-	-
Provisions	4,697,150	4,145,662	-	8,842,812
Unspent conditional grants and receipts	24,048,803	-	(10,637,206)	13,411,597
	171,422,443	8,870,546	(10,637,206)	169,655,783

			2011	2010

39. Prior period errors and reclassifications (continued)

Non-current Liabilities				
Loans and borrowings	487,384,195	-	-	487,384,195
Employee benefits	75,962,149	3,589,345	-	79,551,494
Deferred revenue (payables from non-exchange transactions)	-	-	-	-
Provisions	-	725,000	-	725,000
	563,346,344	4,314,345	-	567,660,689
Total liabilities	734,768,787	13,184,891	(10,637,206)	737,316,472
Net assets				
Housing development fund	72,548,676	(2,465,818)	-	70,082,858
Accumulated surplus	1,701,971,104	52,437,758	-	1,754,408,862
	1,774,519,780	49,971,940	-	1,824,491,720
Total net assets and liabilities	2,509,288,567	63,156,831	(10,637,206)	2,561,808,192

	2011	2010

39. Prior period errors and reclassifications (continued)

STATEMENT OF FINANCIAL PERFORMANCE

	2010 previously reported	Adjustments for errors	Reclassify adjustments	2010 restated
Revenue from non-exchange transactions				
	271,638,861	**-**	**(3,558,754)**	**268,080,107**
Property rates	108,050,047	-	(3,558,754)	104,491,293
Property rates - penalties imposed and collection charges	1,322,135	-	-	1,322,135
Government grants and subsidies	158,507,356	-	-	158,507,356
Fines	3,759,323	-	-	3,759,323
Revenue from exchange transactions	**493,510,664**	**550,561**	**(43,522,235)**	**450,538,990**
Service charges	429,330,149	550,561	(39,352,825)	390,527,885
Rental revenue	1,819,181	-	-	1,819,181
Income from agency services	5,120,054	-	-	5,120,054
Licences and permits	2,762,038	-	-	2,762,038
Gain on disposal of assets	95,218	-	-	95,218
Other income	35,584,273		(4,169,410)	31,414,863
Interest received	18,799,751	-	-	18,799,751
Total income	765,149,525	550,561	(47,080,989)	718,619,097
Expenditure				
Personnel costs	210,701,634	9,038,566	-	219,740,200
Remuneration of councillors	9,757,868	-	-	9,757,868
Loss on disposal of assets	2,466,861	-	-	2,466,861
Depreciation and amortisation	79,912,588	(350,027)	-	79,562,561
Impairment losses	13,946,099	-	-	13,946,099
Finance costs	47,342,066	-	-	47,342,066
Collection costs	5,602,477	-	-	5,602,477
Repairs and maintenance	52,445,761	-	-	52,445,761
Bulk purchases	151,841,435	-	-	151,841,435
Contracted services	34,039,033	-	-	34,039,033
Grants and subsidies paid	48,795,704	(376,545)	(42,911,579)	5,507,580
Cost of erven sold	24,883,037	(1,899,437)	-	22,983,600
General expenses	74,327,082	(263,000)	(4,169,410)	69,894,672
Total expenditure	756,061,645	6,149,557	(47,080,989)	715,130,213
Surplus/(Deficit) for the year	9,087,880	(5,598,996)	-	3,488,884

	2011	2010

39. Prior period errors and reclassifications (continued)

39.1 Review of useful lives of Intangible Assets (GRAP 102)

The municipality did not appropriately apply the principles of GRAP 102 on Intangible assets. Some assets were fully depreciated because the useful lives of intangible assets were not reviewed at the previous reporting date. The remaining useful lives of assets were however considered during the 2010/11 financial period, and correction of this error has been applied retrospectively, with the effects thereof as follows:

Decrease/(Increase) in Accumulated surplus 30 June 2009 (opening balance 2009/2010)	**(219,255)**
(Decrease)/Increase in Intangible assets 30 June 2009 (Opening balance 2009/2010)	**219,255**
Intangible asset - Cost	-
Intangible assets - Accumulated amortisation	219,255
(Decrease)/Increase in Intangible assets for the year ending 30 June 2010	**92,683**
Intangible asset at cost	-
Intangible assets - Accumulated amortisation	92,683
(Decrease)/Increase in Impairment and amortisation for the year ending 30 June 2010	**(92,683)**
Total Decrease/(Increase) in surplus for the year ended 30 June 2010	**(311,938)**

39.2 Correction of Input VAT incorrectly claimed

During the current period it was indentified that Input VAT was incorrectly claimed from SARS. This was due to the calculation for percentage Input VAT claimable from taxable revenue over total revenue being incorrect. The adjustment was made and the changes are reflected below:

Decrease/(Increase) in Accumulated surplus 30 June 2009 (opening balance 2009/2010)	**(136,121)**
Decrease/(Increase) in Current liabilities 30 June 2009 (opening balance 2009/2010)	**136,121**
VAT Payable	136,121
Decrease/(Increase) in Current liabilities for the year ended 30 June 2010	**376,545**
VAT Payable	376,545
(Decrease)/Increase in Grants and subsidies paid for the year ended 30 June 2010	**(376,545)**
Total Decrease/(Increase) in surplus for the year ended 30 June 2010	**(512,666)**

	2011	2010

39. Prior period errors and reclassifications (continued)

39.3 Inventory - Water stock

During the year the calculation of the valuation of water inventory was reviewed and it was found that the cost of raw water was incorrectly accounted for. The correction was made and it was accounted for as follows:

Decrease/(Increase) in Accumulated surplus 30 June 2009 (opening balance 2009/2010)	**79,405**
(Decrease)/Increase in Inventory 30 June 2009 (opening balance 2009/2010)	**(79,405)**
Consumable stores - at cost	79,405
(Decrease)/Increase in Inventory for the year ended 30 June 2010	**(1,994)**
Consumable stores - at cost	(1,994)
(Decrease)/Increase in General expenses for the year ended 30 June 2010	**1,994**
Total Decrease/(Increase) in surplus for the year ended 30 June 2010	**81,399**

39.4 Inventory - Unsold Properties Held for Resale

During the year it was identified that during the prior period the Unsold Properties Held for Resale inventory was incorrectly accounted for. The corrections were made and it were accounted for as follows:

Decrease/(Increase) in Accumulated surplus 30 June 2009 (opening balance 2009/2010)	**4,760,000**
(Decrease)/Increase in Inventory 30 June 2009 (opening balance 2009/2010)	**(4,760,000)**
Unsold Properties Held for Resale	(4,760,000)
(Decrease)/Increase in Inventory for the year ended 30 June 2010	**1,899,437**
Unsold Properties Held for Resale	1,899,437
(Decrease)/Increase in Expenditure for the year ended 30 June 2010	**1,899,437**
Cost of erven sold	1,899,437
Decrease/(Increase) in surplus for the year ended 30 June 2010	**2,860,563**

	2011	2010

39. Prior period errors and reclassifications (continued)

39.5 Evaluation of useful lives of PPE in terms of GRAP 17

During the year the useful lives of property, plant and equipment were re-evaluated in accordance with the requirements of GRAP 17: Property, plant and equipment, resulting in a change in the useful lives estimate of certain property, plant and equipment. No new information became available during the year and no new developments took place that could have affected the estimate made as at 30 June 2010. Therefor the previous estimate was incorrect and has been adjusted retrospectively as a correction of error.
Correction of error has been applied retrospectively and the effect thereof is as follows:

Decrease/(Increase) in Accumulated surplus 30 June 2009 (opening balance 2009/2010)	**(66,994,774)**
(Decrease)/Increase in Property, plant and equipment 30 June 2009 (opening balance 2009/2010)	**66,994,774**
Land and buildings - Accumulated depreciation	3,438,057
Infrastructure - Accumulated depreciation	55,028,843
Community assets - Accumulated depreciation	2,131,004
Other assets - Accumulated depreciation	6,396,870
(Decrease)/Increase in Property, plant and equipment for the year ended 30 June 2010	**257,345**
Land and buildings - Accumulated depreciation	104,540
Infrastructure - Accumulated depreciation	(77,204)
Community assets - Accumulated depreciation	59,536
Other assets - Accumulated depreciation	170,473
(Decrease)/Increase in Impairment and Depreciation for the year ended 30 June 2010	**257,345**
Total Decrease/(Increase) in surplus for the year ended 30 June 2010	**(67,252,119)**

39.6 Investment property not recognised in the previous periods

During the year it was identified that Investment property was not recognised in accordance with the requirements of GRAP 16: Investment property. Investment property was incorrectly recognised as part of property, plant and equipment in the previous financial year.
Correction of this error has been applied retrospectively and the effect thereof is as follows:

(Decrease)/Increase in Investment property 30 June 2009 (opening balance 2009/2010)	**85,479,627**
Land and buildings - Cost	85,609,659
Land and buildings - Accumulated depreciation	(130,032)
(Decrease)/Increase in Property, plant and equipment 30 June 2009 (opening balance 2009/2010)	**(85,479,627)**
Land and buildings - Cost	(85,330,500)
Community assets - Cost	(279,159)
Community assets - Accumulated depreciation	130,032
(Decrease)/Increase in Investment Property for the year ended 30 June 2010	**(4,813)**
Land and buildings - Accumulated depreciation	(4,813)
(Decrease)/Increase in Property, plant and equipment for the year ended 30 June 2010	**4,813**
Community assets - Accumulated depreciation	4,813
Decrease/(Increase) in surplus for the year ended 30 June 2010	**-**

	2011	2010

39. Prior period errors and reclassifications (continued)

39.7 Provisions

During the year it was identified that the flood damage due to the Kat River Bridge, was included in both provisions and contingent liabilities. The provision for South African Local Authorities Pension fund was also concluded to be a contingent liability due to no legal obligation existing as at year end.

Correction of this error has been applied retrospectively and the effect thereof is as follows:

Decrease/(Increase) in Accumulated surplus 30 June 2009 (opening balance 2009/2010)	(3,342,686)
Decrease/(Increase) in Provisions 30 June 2009 (opening balance 2009/2010)	**3,342,686**
Provisions	3,342,686
Decrease/(Increase) in Provisions for the year ended 30 June 2010	**989,994**
Provisions	989,994
(Decrease)/Increase in General expenses for the year ended 30 June 2010	**(989,994)**
Legal Fees	(989,994)
Total Decrease/(Increase) in surplus for the year ended 30 June 2010	**(4,332,680)**

39.8 Implementation of GRAP 25 Employee benefits

During the year GRAP 25 was early adopted and with the implementation thereof the correction was made for the corridor calculation of Actuarial gains or losses which do not form part of GRAP 25 as they did previously in IAS 19. According to GRAP 25, Actuarial gains or losses are recognised in full as the corridor method is not applicable any more.

The adjustment for the implementation was made and it was as follows:

Decrease/(Increase) in Accumulated surplus 30 June 2009 (opening balance 2009/10)	**-**
Decrease/(Increase) in Employee benefit liability 30 June 2009 (opening balance 2009/10)	**-**
Decrease/(Increase) in Employee benefit liability for the year ended 30 June 2010	**(3,545,345)**
Employee benefits	(3,545,345)
(Decrease)/Increase in Personnel costs for the year ended 30 June 2010	**3,545,345**
Total Decrease/(Increase) in surplus for the year ended 30 June 2010	**3,545,345**

	2011	2010

39. Prior period errors and reclassifications (continued)

39.9 Equitable share reclassification

During the year it was identified that the equitable share was utilised for services provided to public for which the services charges were also recognised as revenue on the statement of financial performance. During the year this error was corrected and the effects are as follows:

Decrease/(Increase) in Accumulated surplus 30 June 2009 (opening balance 2009/2010)	-
Decrease/(Increase) in Service charges for the year ended 30 June 2010	**42,911,579**
Property rates	3,558,754
Service charges	39,352,825
(Decrease)/Increase in Grants and subsidies paid for the year 30 June 2010	**(42,911,579)**
Total (Decrease)/Increase in surplus for the year ended 30 June 2010	**-**

39.10 Accrued interest

During the year it was identified that the accrued interest for the year ended 30 June 2010 was not accounted for correctly as Cash and cash equivalents. During the year this error was corrected and the effects are as follows:

Decrease/(Increase) in Accumulated surplus 30 June 2009 (opening balance 2009/2010)	**-**
(Decrease)/Increase in Other receivables from exchange transactions for the year ended 30 June 2010	**(1,040,866)**
(Decrease)/Increase in Cash and cash equivalents for the year ended 30 June 2010	**1,040,866**
Total (Decrease)/Increase in surplus for the year ended 30 June 2010	**-**

39.11 Drought relief grant reallocation

During the year it was identified that the Drought relief grant was incorrectly accounted for due to a portion of the grant that was spent in 2010 financial year. The grant was only received in the 2011 financial year. During the year this error was corrected and the effects are as follows:

Decrease/(Increase) in Accumulated surplus 30 June 2009 (opening balance 2009/2010)	**-**
(Decrease)/Increase in Other receivables for the year ended 30 June 2010	**(10,637,206)**
Decrease/(Increase) in Unspent conditional grants and receipts for the year ended 30 June 2010	**10,637,206**
Total (Decrease)/Increase in surplus for the year ended 30 June 2010	**-**

	2011	2010

39. Prior period errors and reclassifications (continued)

39.12 Reclassification of debtors

During the year it was identified that the debtor account for I-Thron was included in the Consumer Debtors. The debtor is not a consumer debtor. During the year this error was corrected and the effects are as follows:

Decrease/(Increase) in Accumulated surplus 30 June 2009 (opening balance 2009/2010)	**-**
(Decrease)/Increase in Trade receivables from exchange and non-exchange transactions for the year ended 30 June 2010	**(6,454,376)**
(Decrease)/Increase in Other receivables for the year ended 30 June 2010	**6,454,376**
Total (Decrease)/Increase in surplus for the year ended 30 June 2010	**-**

39.13 Recognition for bonuses accrual

During the year it was identified that the accrual for bonuses payable was not recognised for the current and previous financial year. During the year this error was corrected and the effects are as follows:

Decrease/(Increase) in Accumulated surplus 30 June 2009 (opening balance 2009/2010)	**-**
Decrease/(Increase) in Trade and other payables from exchange transactions for the year ended 30 June 2010	**(5,030,972)**
(Decrease)/Increase in Personnel costs for the year ended 30 June 2010	**5,030,972**
Basic	5,030,972
Total (Decrease)/Increase in surplus for the year ended 30 June 2010	**5,030,972**

39.14 Reclassification of revenue from internal department

During the year it was identified that revenue for interdepartmental charges were not off setted. The revenue and expenditure were thus overstated. During the year this error was corrected and the effects are as follows:

Decrease/(Increase) in Accumulated surplus 30 June 2009 (opening balance 2009/2010)	**-**
Decrease/(Increase) in Other income for the year ended 30 June 2010	**4,169,410**
(Decrease)/Increase in General expenses for the year ended 30 June 2010	**(4,169,410)**
Total (Decrease)/Increase in surplus for the year ended 30 June 2010	**-**

	2011	2010

39. Prior period errors and reclassifications (continued)

39.15 Provision for Cape Joint Pension Fund shortfall

It was identified that the municipality's portion of the shorfall in the annual earnings of the Cape Joint Pension Fund for the previous financial year was not adequately provided for by the municipality in the previous financial year. During the year this error was corrected and the effects are as follows:

Decrease/(Increase) in Accumulated surplus 30 June 2009 (opening balance 2009/2010)	**8,016,092**
Decrease/(Increase) in Provisions 30 June 2009 (opening balance 2009/2010)	**(8,016,092)**
Decrease/(Increase) in Provisions for the year ended 30 June 2010	**(462,250)**
(Decrease)/Increase in Personnel costs for the year ended 30 June 2010	**462,250**
Total Decrease/(Increase) in surplus for the year ended 30 June 2010	**8,478,342**

39.16 Revenue from exchange transactions: Service charges

It was identified that pre-paid electricity revenue receivable as at 30 June 2010 was accounted for in the current financial year. During the year this error was corrected and the effect are as follows:

Decrease/(Increase) in service charges for the year ended 30 June 2010	**(550,561)**
(Decrease)/Increase in Other receivables for the year ended 30 June 2010	**550,561**
Total Decrease/(Increase) in surplus for the year ended 30 June 2010	**(550,561)**

39.17 Loans and receivables - Housing selling schemes

The loan regarding the housing selling scheme was incorrectly written off in the current financial year althought the approval to write-off the loan was authorised in 2000. During the year this error was corrected and the effects are as follows:

Decrease/(Increase) in Accumulated surplus 30 June 2009 (opening balance 2009/2010)	**(199,415)**
Decrease/(Increase) in Housing development fund 30 June 2009 (opening balance 2009/2010)	**2,465,818**
(Decrease)/Increase in Loans and receivables 30 June 2009 (opening balance 2009/2010)	**(2,078,751)**
Decrease/(Increase) in Trade and other payables 30 June 2009 (opening balance 2009/2010)	**(187,652)**
(Decrease)/Increase in Loans and receivables for the year ended 30 June 2010	**62,925**
Decrease/(Increase) in Trade and other payables for the year ended 30 June 2010	**(62,925)**
Total Decrease/(Increase) in surplus for the year ended 30 June 2010	**(199,415)**

	2011	2010

39. Prior period errors and reclassifications (continued)

39.18 Reclassification of other payables

During the year it wass identified that other payables were incorrectly classified as consumer deposits. During the year this error was corrected and the effects are as follows:

Decrease/(Increase) in Accumulated surplus 30 June 2009 (opening balance 2009/2010)	**-**
Decrease/(Increase) in Consumer deposits for the year ended 30 June 2010	**852,098**
Decrease/(Increase) in Trade and other payables from exchange transactions for the year ended 30 June 2010	**(852,098)**
Total Decrease/(Increase) in surplus for the year ended 30 June 2010	**-**

39.19 Provision for clearing of alien vegetation

During the year it was identified that although the municipality has an obligation to clear alien vegetation no provision was made in the prior financial statements. During the year this error was corrected and the effects are as follows:

Decrease/(Increase) in Provisions for the year ended 30 June 2010	**(725,000)**
(Decrease)/Increase in General expenses for the year ended 30 June 2010	**725,000**
Total Decrease/(Increase) in surplus for the year ended 30 June 2010	**725,000**

40. Risk management

Capital risk management

The municipality manages its capital to ensure that it will be able to continue as a going concern while delivering sustainable services to consumers through the optimisation of the debt and net assets balance. The municipality's overall strategy remains unchanged from 2008.

The capital structure of the municipality consists of debt, which includes the loans and borrowings disclosed in note 10, cash and cash equivalents disclosed in note 6 and net assets, comprising funds, reserves and accumulated surplus as disclosed in the Statement of Changes in Net Assets.

The gearing ratio at 2011 and 2010 respectively was as follows:

Total loan and borrowings	10	**550,314,563**	**513,447,963**
Less: Cash and cash equivalents	6	232,496,590	146,881,424
Net debt		317,817,973	366,566,539
Total equity		1,814,175,693	1,835,410,906
Total capital		**2,131,993,666**	**2,201,977,445**
Debt to Net Assets ratio		**30.33** %	**27.97 %**

	2011	2010

40. Risk management (continued)

Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The municipality's Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the municipality through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and price risk), credit risk, liquidity risk.

The municipality seeks to minimise the effects of these risks in accordance with its policies approved by the Council. The policies provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and in the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the Director Financial Services on a continous basis. The municipality does not enter into or trade in financial instruments, including derivative financial instruments, for speculative purposes.

The Treasury function reports periodically to the municipality's finance committee, that monitors risks and policies implemented to mitigate risk exposures.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Council, which has built an appropriate liquidity risk management framework for the management of the municipality's short, medium and long-term funding and liquidity management requirements. The municipality manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity risk is managed by ensuring that all assets are reinvested at maturity at competitive interest rates in relation to cash flow requirements. Liabilities are managed by ensuring that all contractual payments are met on a timeous basis and, if required, additional new arrangements are established at competitive rates to ensure that cash flow requirements are met.

Interest rate risk

Interest rate risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

The municipality's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates.

The municipality's exposures to interest rates on financial assets and financial liabilities are detailed in appendix A.

Credit risk

Potential concentrations of credit rate risk consist mainly of investments, loans and receivables, trade receivables, other receivables, short-term investment deposits and cash and cash equivalents.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high credit standing. The credit exposure to any single counterparty is managed by setting transaction/ exposure limits, which are included in the municipality's Investment Policy.

Trade receivables comprise of a large number of ratepayers, dispersed across different industries and geographical areas. Ongoing credit evaluations are performed on the financial condition of these customers. Trade receivables are presented net of an allowance for impairment and where appropriate, credit limits are adjusted.

	2011	2010

40. Risk management (continued)

In the case of customers whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Non-current Receivables and Other Receivables are collectively evaluated annually at reporting date for impairment or discounting. A report on the various categories of customers is drafted to substantiate such evaluation and subsequent impairment / discount, where applicable.

The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follows:

Financial instrument	**2011**	**2010**
Loans and receivables	1,672,870	4,299,585
Trade recievables	74,358,153	70,729,920
Other receivables	30,569,107	67,348,435
Cash and cash equivalents	232,496,590	146,881,424

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the municipality's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency risk
The municipality is not currently exposed to foreign currency risk.

Fair value interest rate risk
It is not anticipated that the value of financial instruments will fluctuate as a result of changes in market interest rates.

Sensitivity analysis – equity price risk
The municipality is not exposed to other price risk in respect of equity securities as no such investments are currently held.

Price risk

The effect of any price risk in the foreseeable future is regarded as minimal given the fact that amounts receivable from the municipality's customers are levied in terms of the relevant statutes. It is not anticipated that given the nature of the municipality's business that changes in market prices will have a material impact on the trading results of the municipality.

There has been no change, since the previous financial financial year, to the municipality's exposure to market risks or the manner in which it manages and measures the risk.

41. Events after the reporting date

There were no matters identified by the municipality under the year of review.

	2011	2010

42. Unauthorised expenditure

Employee Cost

Reconciliation of unauthorised expenditure		
Opening balance	25,428,542	-
Unauthorised expenditure current year	-	25,428,542
Approved by Council or condoned	(25,428,542)	-
Transfer to receivables for recovery(note 4)	-	-
Unauthorised expenditure awaiting authorisation	-	-
	-	**25,428,542**

The unauthorised expenditure relates to the budget overspending due to Provision for Employee Benefits. This was included in prior year's audit report. The report was submitted to Council and approved.

Bad Debt

Reconciliation of unauthorised expenditure		
Opening balance	8,946,099	-
Unauthorised expenditure current year	-	8,946,099
Approved by Council or condoned	(8,946,099)	-
Transfer to receivables for recovery (note 4)	-	-
Unauthorised expenditure awaiting authorisation	-	-
	-	**8,946,099**

The unauthorised expenditure relates to budget overspending due to economic decline and outstanding debts increased. This was included in prior year's audit report. The report was submitted to Council and approved.

General

Opening balance	-	-
Uauthorised expenditure current year by vote awaiting authorisation (Refer note 51):		
Executive and council	16,999,093	-
Corporate services	2,227,602	-
Public safety	3,312,623	-
Road transport	3,686,089	-
Electricity	2,292,264	-
Water	6,688,325	-
Water waste management	4,248,285	-
Waste management	3,480,931	-
	42,935,212	**-**

43. Fruitless and wasteful expenditure

There was no Fruitless and wasteful expenditure during the year of which management are aware.

Notes to the Annual Financial Statements

	2011	2010

44. Irregular expenditure

Opening balance	1,104,460	-
Add: Irregular Expenditure - current year	562,346	1,169,560
Less: Amounts condoned	(1,104,460)	(65,100)
	562,346	**1,104,460**

Details of irregular expenditure - current year

Original quotations not attached to payments	190,184	-
Sole provider. Deviation not submitted	21,396	-
MBD 4 Declarations not attached to original documentation	160,204	-
Persons in the service of the State not declared by suppliers	190,562	-
	562,346	**-**

Details of irregular expenditure – previous year

Olivier Contractors	Removal of rubble from sidewalks	65,100
Tender OS023/2009	Construction of temporary stand at Outeniqua Park	470,820
Extended Public Works Projects	Councillors involved in evaluating and approving bid and the inappropriate classification of this service as emergency services	633,640
		1,169,560

45. Material losses

Electricity distribution losses		
Units purchased (Kwh)	451,650,526	448,232,288
Units lost during distribution (Kwh)	23,699,279	29,663,847
Percentage lost during distribution	5.25%	6.63%
Water distribution losses		
Kiloliters purified	8,991,155	9,725,100
Kiloliters lost during purification	793,743	518,171
Percentage lost diring distribution	8.83%	5.33%

46. In-kind donations and assistance

The municipality did not receive any in-kind donations and assistance during the year under review.

	2011	2010

47. Additional disclosure in terms of Municipal Finance Management Act

Contributions to organised local government

Current year subscription / fee (SALGA)	1,037,088	878,558
Amount paid - current year (SALGA)	(1,037,088)	(878,558)
	-	-

Material losses through criminal conduct

During the year under review the municipality had no material losses with regards to the distribution of water and electricity.

Audit fees

Current year subscription / fee	3,332,982	2,581,694
Amount paid - current year	(3,332,982)	(2,581,694)
	-	-

PAYE and UIF

Current year subscription / fee	28,441,520	25,400,351
Amount paid - current year	(28,441,520)	(25,400,351)
	-	-

Pension and Medical Aid Deductions

Current year subscription / fee	32,348,614	41,732,539
Amount paid - current year	(32,348,614)	(41,732,539)
	-	-

VAT

VAT payable	16,012,423	6,062,254

All VAT returns have been submitted by the due date throughout the year.

Councillors' arrear consumer accounts

June 30, 2011	**Outstanding less than 90 days**	**Outstanding more than 90 days**	**Total**
I Stemela	308	8,231	8,539

June 30, 2010	**Outstanding less than 90 days**	**Outstanding more than 90 days**	**Total**
BF Heyns	1,462	487	1,949

	2011	2010

47. Additional disclosure in terms of Municipal Finance Management Act (continued)

Supply chain management regulations

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the Municipal Manager and noted by Council. Non-compliance with the Supply Chain Management Regulations were identified on the following categories and have been condoned.

Incident	Less than R30,000	Between R30,001 and R200,000	Between R200,001 and R2,000,000	More than R2,000,000
Office of the Municipal Manager	7,000	-	-	-
Corporate & Social Services	198,369	269,759	-	-
Civil Engineering Services	546,274	227,935	-	-
Electro-technical Services	286,112	565,948	-	-
Planning & Housing	32,920	129,737	-	-
Community Safety	68,415	193,525	-	-
Enviromental Affairs	124,731	-	-	-
Financial Services	174,509	57,000	-	-
Total	**1,438,330**	**1,443,904**	**-**	**-**

The major deviations were as follows:

Awarded to	**Reason/Explanation**
Francois Hanekom	Conference regarding Local Economic Development - Impractical to follow the official procurement process
Transtech	Repairs to trucks - Sole Supplier
ESRI South Africa	Arcgis Arcview Single User service - Sole Supplier

Non-municipal entity: George Housing Association

The municipality contributed an amount of R5,1 million towards the establishment of the George Housing Association. The contributions were made in the 2005/06 to 2007/08 financial years with the last amount contributed during March 2008. The association was established as an Article 21 company and was never legally regarded as a municipal entity as stipulated in the Municipal Finance Management Act.

Upon legal astion taken by the municipality, the Company is currently in the process to be winded up or dissolved and once the process is finalised remaining funds in the bank account of the George Housing Association will be handled as stipulated in the memorandum of assiciation of the George Housing Association.

The Memorandum of Association of the George Housing Association in paragraph 6.2 stipulates:

"Upon its winding-up, deregistration or dissolution any assets remaining after the satisfaction of all its liabilities shall be given or transferred to some other association(s) or institution(s) having objects similar to the main objects of the Company to be determined by the members of the Company at or before the time of the company's dissolution or, failing such determination, by the Court."

There remains a possibility that George Municipality may receive funds following the dissolvement.

The municipality have resolved not to consolidate the financial statements of the George Housing Association with the financial statements of the municipality mainly as it is not regarded as a municipal entity, it is a discontinued operation, the financial statements for June 2011 have not been prepared and the George Housing Association is not quantitively material in the broader picture of the municipality.

		2011	2010

48. Utilisation of Long-term liabilities reconciliation

Long-term liabilities raised		551,403,035	513,447,963

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to ensure that long-term liabilities can be repaid on redemption date.

49. Soccer World Cup 2010 expenditure

Travel cost			
Accomadation		-	4,780
Travel agent		-	11,330
Soccer exibition		-	-
		-	16,110
Purchases of World Cup 2010 apparel	**Quantity**		
Bumper sticker	1,000	-	13,110
Soccer balls	234	-	15,286
VIP wristbands	800	-	1,528
Lanyards	500	-	2,656
T-shirts	2,436	-	95,103
Banners & flag posters	727	-	97,987
Promotional items	171	-	5,449
Billboards	4	-	51,443
Flags	176	-	160,414
Hellium balloons	500	-	3,500
Trophy & medals	-	-	6,215
Decorations - Mayoral offices	-	-	3,124
Giant promotional soccer balls	4	-	57,845
Soccer equipment	147	-	9,745
		-	523,405
Total expenses		-	539,515

50. Private Public Partnership

The municipality was not a party to any Private Public Partnerships during the current financial year.

51. Budget Comparisons

2011

	2011 R Budget	2011 R Actual	2011 R Variance	2011 %	Reason for difference of more than 10%
Financial Performance					
Revenue by source					
Property rates	125,684,000	120,077,571	5,606,429	4 %	The major difference is due to equitable share of R3,652,964 used for property rates off-setted against the revenue while there were budgeted for the full amount.
Service charges	516,855,000	449,063,227	67,791,773	13 %	The major difference is due to equitable share of R44,223,844 used for services charges off-set against the revenue while there were budgeted for the full amount.
Government Grants and Subsidies - Operational	247,559,850	209,306,671	38,253,179	15 %	Delays in the construction of Top Structures in housing schemes.
Investment revenue	15,073,000	19,069,421	(3,996,421)	(27)%	No amount was budgeted for the interest on late payment on debtor accounts for water, refuse removal and housing amounting to R4,795,983.
Fines	11,979,600	13,149,411	(1,169,811)	(10)%	A new service provider was appointed for the spot fines and they are performing better than anticipated.
Rental of Facilities and Equipment	1,794,500	1,828,659	(34,159)	(2)%	
Licences and Permits	2,504,100	2,106,193	397,907	16 %	Decrease is due to less people paying their licenses and also that big companies move to other provinces where fees are cheaper.
Agency Fees	5,191,357	5,427,377	(236,020)	(5)%	
Other own revenue	17,747,500	21,500,142	(3,752,642)	(21)%	No amount was budgeted for the Sale of erven that amounted to R5,356,462 for the year.
Total revenue	**944,388,907**	**841,528,672**	**102,860,235**	**11 %**	

51. Budget Comparisons (continued)

	2011 R Budget	2011 R Actual	2011 R Variance	2011 %	Reason for difference of more than 10%
Expenditure by nature	-	-	-	- %	
Employee costs	(207,830,913)	(227,743,108)	19,912,195	(10)%	
Remuneration of councillors	(10,718,916)	(10,691,294)	(27,622)	- %	
Debt impairment	(5,000,000)	(27,523,970)	22,523,970	(450)%	Due to economic climate plus write offs. The provision had to be increased.
Depreciation and asset impairment	(92,384,887)	(94,501,388)	2,116,501	(2)%	
Finance charges	(55,988,570)	(52,847,533)	(3,141,037)	6 %	
Materials and bulk purchases	(192,000,000)	(192,835,737)	835,737	- %	
Contracted Services	(119,232,964)	(94,626,895)	(24,606,069)	21 %	This also reflects to the construction of Top Structures as indicated above.
Transfers and grants	(63,494,700)	(5,124,374)	(58,370,326)	92 %	The major difference is due to equitable share of R47,876,808 used for services charges and property rates. Refer above to Property rates and Service Charges.
Other expenditure	(161,833,692)	(145,950,402)	(15,883,290)	10 %	
Total expenditure	**(908,484,642)**	**(851,844,701)**	**(56,639,941)**	**6 %**	

51. Budget Comparisons (continued)

	2011 R Budget	2011 R Actual	2011 R Variance	2011 %
Expenditure by Vote				
Executive and council	(25,746,856)	(42,745,949)	16,999,093	(66)%
Budget and Treasury	(111,823,689)	(47,843,721)	(63,979,968)	57 %
Corporate Services	(40,772,591)	(43,000,193)	2,227,602	(5)%
Community and Social Services	(19,606,593)	(16,455,939)	(3,150,654)	16 %
Sport and Recreation	(18,898,362)	(17,263,894)	(1,634,468)	9 %
Public Safety	(37,120,183)	(40,432,806)	3,312,623	(9)%
Housing	(105,808,764)	(80,304,311)	(25,504,453)	24 %
Health	(5,826,703)	(5,072,548)	(754,155)	13 %
Planning and development	(16,174,719)	(13,329,487)	(2,845,232)	18 %
Road Transport	(94,277,505)	(97,963,594)	3,686,089	(4)%
Enviromental Protection	(7,652,823)	(6,880,264)	(772,559)	10 %
Electricity	(265,948,797)	(268,241,061)	2,292,264	(1)%
Water	(70,849,297)	(77,537,622)	6,688,325	(9)%
Water Waste Management	(49,997,571)	(54,245,856)	4,248,285	(8)%
Waste Management	(32,251,336)	(35,732,267)	3,480,931	(11)%
Other	(5,728,853)	(4,795,189)	(933,664)	16 %
Total Expenditure by vote	**(908,484,642)**	**(851,844,701)**	**(56,639,941)**	**6 %**
Surplus/(Deficit) for the year	**35,904,265**	**(10,316,029)**	**46,220,294**	**(29)%**

51. Budget Comparisons (continued)

	Final budget	Actual outcome	Variance	Actual outcome as % of final budget
Capital expenditure by vote				
Budget and Treasury	750,000	720,156	29,844	4 %
Corporate Services	170,000	155,458	14,542	9 %
Community and Social Services	2,698,900	2,423,385	275,515	10 %
Sport and Recreation	1,032,000	1,018,962	13,038	1 %
Poblic Safety	2,300,000	193,184	2,106,816	92 %
Housing	8,017,000	4,716,462	3,300,538	41 %
Road Transport	17,682,000	14,395,344	3,286,656	19 %
Enviromental Protection	50,000	46,316	3,684	7 %
Electricity	57,247,800	55,005,308	2,242,492	4 %
Water	49,977,400	48,494,228	1,483,172	3 %
Waste Water Management	10,091,760	8,974,067	1,117,693	11 %
Waste Management	500,000	491,651	8,349	2 %
Total Capital Expenditure	**150,516,860**	**136,634,521**	**13,882,339**	**9 %**

APPENDIX A(1)

GEORGE MUNICIPALITY : ANALYSIS OF PROPERTY,PLANT AND EQUIPMENT AS AT 30 JUNE 2011

Category/Type	B/Fwd.Cost	Additions	Completed Constructions	Transfers	Disposals	C/Fwd.Cost	B/Fwd.WIP	Additions	Transfers	Disposals	Completed Constructions	C/Fwd.WIP	B/Fwd.Deprec.	Additions	Transfers	Disposals	C/Fwd.Deprec.	Carrying Value	Budget Additions
INFRASTRUCTURE																			
Transformer kiosks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Access control	389 417.91	61 858.17	0.00	0.00	0.00	451 276.08	0.00	0.00	0.00	0.00	0.00	0.00	-126 143.85	-80 014.96	0.00	0.00	-206 158.81	245 117.27	62 000.00
Bridges, subways & culv	10 004 977.46	0.00	0.00	0.00	0.00	10 004 977.46	0.00	0.00	0.00	0.00	0.00	0.00	-926 346.66	-586 116.63	0.00	0.00	-1 512 463.29	8 492 514.17	0.00
Bus terminals	2 682 870.82	0.00	0.00	0.00	0.00	2 682 870.82	0.00	0.00	0.00	0.00	0.00	0.00	-571 846.81	-133 790.35	0.00	0.00	-705 637.16	1 977 233.66	0.00
Car parks	3 020 935.55	0.00	0.00	0.00	0.00	3 020 935.55	0.00	0.00	0.00	0.00	0.00	0.00	-533 915.11	-167 924.66	0.00	0.00	-701 839.77	2 319 095.78	0.00
Fencing	9 036 443.49	1 881 793.67	0.00	0.00	0.00	10 918 237.16	0.00	0.00	0.00	0.00	0.00	0.00	-3 175 651.44	-1 410 572.16	0.00	0.00	-4 586 223.60	6 332 013.56	1 355 000.00
Footways	7 791 763.81	229 294.34	0.00	0.00	0.00	8 021 058.15	0.00	0.00	0.00	0.00	0.00	0.00	-401 847.76	-432 742.13	0.00	0.00	-834 589.89	7 186 468.26	200 000.00
Load control equipment	7 598 859.67	0.00	0.00	0.00	0.00	7 598 859.67	0.00	0.00	0.00	0.00	0.00	0.00	-981 654.10	-332 463.45	0.00	0.00	-1 314 117.55	6 284 742.12	0.00
Mains	6 605 422.09	0.00	0.00	0.00	0.00	6 605 422.09	0.00	0.00	0.00	0.00	0.00	0.00	-1 065 381.95	-345 199.16	0.00	0.00	-1 410 581.11	5 194 840.98	0.00
Mains	7 255.10	0.00	0.00	0.00	0.00	7 255.10	0.00	0.00	0.00	0.00	0.00	0.00	-4 102.62	-157.71	0.00	0.00	-4 260.33	2 994.77	0.00
Meters	99 780.49	251 214.98	0.00	0.00	0.00	350 995.47	0.00	0.00	0.00	0.00	0.00	0.00	-39 939.82	-5 023.41	0.00	0.00	-44 963.23	306 032.24	2 500 000.00
Meters	3 702 655.03	225 897.56	0.00	0.00	0.00	3 928 552.59	0.00	0.00	0.00	0.00	0.00	0.00	-1 583 548.80	-243 137.22	0.00	0.00	-1 826 686.02	2 101 866.57	226 000.00
Motorways	308 314.27	0.00	0.00	0.00	0.00	308 314.27	0.00	0.00	0.00	0.00	0.00	0.00	-62 226.03	-20 554.29	0.00	0.00	-82 780.32	225 533.95	0.00
Outfall sewers	364 823.92	0.00	0.00	0.00	0.00	364 823.92	0.00	0.00	0.00	0.00	0.00	0.00	-72 985.13	-18 241.19	0.00	0.00	-91 226.32	273 597.60	0.00
Paving	15 862 241.12	900 652.35	0.00	0.00	0.00	16 762 893.47	2 022 943.55	0.00	0.00	0.00	0.00	2 022 943.55	-1 743 430.06	-896 783.62	0.00	0.00	-2 640 213.68	16 145 623.34	2 581 000.00
Pipelines	1 597 018.14	10 328 826.84	15 829 560.27	23 868 795.21	0.00	51 624 200.46	11 882 160.45	3 947 399.82	0.00	0.00	-15 829 560.27	0.00	-218.79	-1 409 030.02	-915 928.48	0.00	-2 325 177.29	49 299 023.17	11 984 100.00
Power stations	527 808.55	0.00	0.00	0.00	0.00	527 808.55	0.00	0.00	0.00	0.00	0.00	0.00	-444 477.54	-17 593.61		0.00	-462 071.15	65 737.40	0.00
Pump stations	56 845 157.88	-9 794 134.32	51 167 539.98	-14 328 805.51	0.00	83 889 758.03	35 649 853.11	25 334 823.58	0.00	0.00	-51 167 539.98	9 817 136.71	-6 552 155.45	-3 351 604.26	913 640.42	0.00	-8 990 119.29	84 716 775.45	35 403 700.00
Purification works	10 884 478.84	6 906 562.82	0.00	-7 531 118.57	0.00	10 259 923.09	0.00	0.00	0.00	0.00	0.00	0.00	-874 705.13	-143 203.51	13 412.92	0.00	-1 004 495.72	9 255 427.37	6 968 000.00
Other roads	343 679 723.23	11 947 389.57	0.00	0.00	0.00	355 627 112.80	0.00	0.00	0.00	0.00	0.00	0.00	-87 727 158.09	-30 791 721.25		0.00	-118 518 879.34	237 108 233.46	11 077 600.00
Security systems	2 003 098.91	23 107.84	0.00	0.00	0.00	2 026 206.75	0.00	0.00	0.00	0.00	0.00	0.00	-1 128 791.39	-207 861.94		0.00	-1 336 653.33	689 553.42	0.00
Sewers	167 777 299.67	1 716 316.97	0.00	0.00	-83 097.85	169 410 518.79	0.00	4 432 691.87	0.00	0.00	0.00	4 432 691.87	-33 997 926.19	-7 957 354.15		19 720.00	-41 935 560.34	131 907 650.32	6 098 760.00
Sludge machines	3 427 380.92	0.00	0.00	0.00	0.00	3 427 380.92	0.00	0.00	0.00	0.00	0.00	0.00	-1 657 923.74	-118 013.80		0.00	-1 775 937.54	1 651 443.38	0.00
Sewerage pumps	9 617 285.00	0.00	0.00	0.00	0.00	9 617 285.00	0.00	0.00	0.00	0.00	0.00	0.00	-2 441 779.57	-543 177.90		0.00	-2 984 957.47	6 632 327.53	0.00
Street lighting	18 039 894.19	112 270.76	5 139 702.76	0.00	0.00	23 291 867.71	244 248.85	4 895 453.91	0.00	0.00	-5 139 702.76	0.00	-4 757 568.10	-735 559.68		0.00	-5 493 127.78	17 798 739.93	5 470 200.00
Supply/reticulation	134 167 775.44	20 334 776.29	328 947.39	7 531 118.56	0.00	162 362 617.69	1 559 083.90	328 947.39	0.00	0.00	-328 947.39	1 559 083.90	-44 039 453.16	-5 989 542.75	-13 412.92	0.00	-50 042 408.83	113 879 292.76	32 111 200.00
Supply/reticulation	2 439 947.04	0.00	0.00	0.00	0.00	2 439 947.04	0.00	0.00	0.00	0.00	0.00	0.00	-255 024.48	-121 997.35		0.00	-377 021.83	2 062 925.21	0.00
Supply/reticulation	229 039 118.29	2 017 070.36	0.00	-685 709.99	-342 675.56	230 027 803.10	2 340 817.08	0.00	0.00	0.00	0.00	2 340 817.08	-41 406 010.10	-10 559 812.56		92 069.58	-51 873 753.08	180 494 867.10	1 779 000.00
Stormwater drains	59 961 649.06	7 647 339.73	0.00	0.00	0.00	67 608 988.79	0.00	0.00	0.00	0.00	0.00	0.00	-4 900 262.50	-4 383 955.74		0.00	-9 284 218.24	58 324 770.55	209 900.00
Switchgear equipment	15 708 836.73	1 314 179.45	0.00	0.00	0.00	17 023 016.18	0.00	0.00	0.00	0.00	0.00	0.00	-3 876 876.11	-741 160.46		0.00	-4 618 036.57	12 404 979.61	500 000.00
Reservoirs & tanks	15 935 015.37	5 619 522.30	0.00	-3 244 320.82	0.00	18 310 216.85	0.00	0.00	0.00	0.00	0.00	0.00	-5 746 886.50	-596 227.80	444.47	0.00	-6 342 669.83	11 967 547.02	250 000.00
Taxiways	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transformer kiosks	81 725 749.28	23 675 162.20	0.00	0.00	0.00	105 400 911.48	0.00	0.00	0.00	0.00	0.00	0.00	-7 907 291.09	-2 752 891.03	0.00	0.00	-10 660 182.12	94 740 729.36	23 000 000.00
Traffic islands	11 434.20	0.00	0.00	0.00	0.00	11 434.20	0.00	0.00	0.00	0.00	0.00	0.00	-6 672.49	-476.42	0.00	0.00	-7 148.91	4 285.29	0.00
Traffic lights	12 590 489.86	897 470.00	0.00	0.00	-265 621.75	13 222 338.11	0.00	0.00	0.00	0.00	0.00	0.00	-2 119 944.32	-659 019.54	0.00	141 924.97	-2 637 038.89	10 585 299.22	0.00
Street names & traffic sig	782 303.89	0.00	0.00	0.00	0.00	782 303.89	0.00	0.00	0.00	0.00	0.00	0.00	-202 577.88	-46 356.34	0.00	0.00	-248 934.22	533 369.67	0.00
	1 234 237 225.22	**86 296 571.88**	**72 465 750.40**	**5 609 958.88**	**-691 395.16**	**1 397 918 111.23**	**53 699 106.94**	**38 939 316.57**	**0.00**	**0.00**	**-72 465 750.40**	**20 172 673.11**	**-261 332 722.76**	**-75 799 281.05**	**-1 843.59**	**253 714.55**	**-336 880 132.85**	**1 081 210 651.49**	**141 776 460.00**
COMMUNITY																			
Beach developments	2 676 711.34	0.00	0.00	0.00	0.00	2 676 711.34	0.00	0.00	0.00	0.00	0.00	0.00	-502 866.58	-89 223.68	0.00	0.00	-592 090.26	2 084 621.08	0.00
Bowling greens	106 487.78	0.00	0.00	0.00	0.00	106 487.78	0.00	0.00	0.00	0.00	0.00	0.00	-55 807.03	-2 535.42	0.00	0.00	-58 342.45	48 145.33	0.00
Care centres	7 051 925.18	832 641.39	0.00	0.00	0.00	7 884 566.57	0.00	0.00	0.00	0.00	0.00	0.00	-616 620.67	-235 092.98	0.00	0.00	-851 713.65	7 032 852.92	844 000.00
Cemeteries	67 861.05	0.00	0.00	0.00	0.00	67 861.05	0.00	0.00	0.00	0.00	0.00	0.00	-22 575.90	-2 262.03	0.00	0.00	-24 837.93	43 023.12	0.00
Community centres	22 955 464.40	1 328 388.91	0.00	0.00	0.00	24 283 853.31	3 000.00	0.00	0.00	0.00	0.00	3 000.00	-3 726 195.16	-739 289.38	0.00	0.00	-4 465 484.54	19 821 368.77	1 280 000.00
Fire stations	1 762 588.89	0.00	0.00	0.00	0.00	1 762 588.89	0.00	0.00	0.00	0.00	0.00	0.00	-223 179.41	-58 752.96	0.00	0.00	-281 932.37	1 480 656.52	0.00
Floodlighting	6 525 853.95	26 518.62	0.00	0.00	0.00	6 552 372.57	0.00	0.00	0.00	0.00	0.00	0.00	-1 377 121.70	-325 891.08	0.00	0.00	-1 703 012.78	4 849 359.79	27 000.00
Clinics/hospitals	1 823 763.17	0.00	0.00	0.00	0.00	1 823 763.17	0.00	0.00	0.00	0.00	0.00	0.00	-880 970.79	-60 792.00	0.00	0.00	-941 762.79	882 000.38	0.00
Housing Schemes	21 761 737.21	3 031 402.28	0.00	-279 158.80	0.00	24 513 980.69	0.00	0.00	0.00	0.00	0.00	0.00	-3 415 719.47	-719 642.02	134 845.37	0.00	-4 000 516.12	20 513 464.57	3 035 000.00
Informal housing	0.00	237 903.81	0.00	0.00	0.00	237 903.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-3 493.68	0.00	0.00	-3 493.68	234 410.13	3 163 000.00
Indoor sports	127 552.33	0.00	0.00	0.00	0.00	127 552.33	0.00	0.00	0.00	0.00	0.00	0.00	-108 956.52	-4 251.72	0.00	0.00	-113 208.24	14 344.09	0.00
Lakes and dams	119 843.41	500 046.94	0.00	0.00	0.00	619 890.35	0.00	0.00	0.00	0.00	0.00	0.00	-13 905.13	-5 992.17	0.00	0.00	-19 897.30	599 993.05	501 000.00
Libraries	1 799 552.82	65 233.51	0.00	0.00	0.00	1 864 786.33	0.00	0.00	0.00	0.00	0.00	0.00	-778 175.54	-55 314.23	0.00	0.00	-833 489.77	1 031 296.56	183 000.00
Monuments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Municipal buildings	49 589 714.95	0.00	0.00	685 709.99	0.00	50 275 424.94	0.00	0.00	0.00	0.00	0.00	0.00	-12 124 234.93	-1 504 753.39	0.00	0.00	-13 628 988.32	36 646 436.62	0.00
Muncipal houses	459 389.80	0.00	0.00	0.00	0.00	459 389.80	0.00	0.00	0.00	0.00	0.00	0.00	-121 369.26	-21 989.87	0.00	0.00	-143 359.13	316 030.67	0.00
Museum/art galleries	2 664.00	0.00	0.00	0.00	0.00	2 664.00	0.00	0.00	0.00	0.00	0.00	0.00	-2 399.29	-88.80	0.00	0.00	-2 488.09	175.91	0.00
Netball courts	5 672.94	0.00	0.00	0.00	0.00	5 672.94	0.00	0.00	0.00	0.00	0.00	0.00	-3 310.98	-118.18	0.00	0.00	-3 429.16	2 243.78	0.00
Outdoor sports facilities	25 049 832.51	481 339.08	0.00	0.00	0.00	25 531 171.59	242 870.93	0.00	0.00	0.00	0.00	242 870.93	-4 811 824.80	-1 247 188.15	0.00	0.00	-6 059 012.95	19 715 029.57	475 000.00
Parks	1 635 789.42	0.00	0.00	0.00	0.00	1 635 789.42	0.00	0.00	0.00	0.00	0.00	0.00	-444 382.79	-54 534.33	0.00	0.00	-498 917.12	1 136 872.30	0.00
Public conveniences/bat	1 893 061.20	16 870.00	0.00	0.00	0.00	1 909 931.20	0.00	0.00	0.00	0.00	0.00	0.00	-712 257.69	-63 243.64	0.00	0.00	-775 501.33	1 134 429.87	17 000.00
Recreation centres	3 803 556.57	0.00	0.00	0.00	0.00	3 803 556.57	0.00	0.00	0.00	0.00	0.00	0.00	-483 710.47	-126 785.20	0.00	0.00	-610 495.67	3 193 060.90	0.00
Stadiums	3 598 841.23	0.00	0.00	0.00	0.00	3 598 841.23	0.00	0.00	0.00	0.00	0.00	0.00	-12 489.58	-179 942.06	0.00	0.00	-192 431.64	3 406 409.59	0.00
Swimming pools	8 788 960.28	0.00	0.00	0.00	0.00	8 788 960.28	0.00	0.00	0.00	0.00	0.00	0.00	-1 314 774.74	-439 448.02	0.00	0.00	-1 754 222.76	7 034 737.52	0.00
Tennis courts	215 823.88	0.00	0.00	0.00	0.00	215 823.88	0.00	0.00	0.00	0.00	0.00	0.00	-115 042.79	-5 042.19	0.00	0.00	-120 084.98	95 738.90	0.00
	161 822 648.31	**6 520 344.54**	**0.00**	**406 551.19**	**0.00**	**168 749 544.04**	**245 870.93**	**0.00**	**0.00**	**0.00**	**0.00**	**245 870.93**	**-31 867 891.22**	**-5 945 667.18**	**134 845.37**	**0.00**	**-37 678 713.03**	**131 316 701.94**	**9 525 000.00**
HERITAGE																			
Heritage buildings	607 331.38	0.00	0.00	0.00	0.00	607 331.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	607 331.38	0.00
OTHER																			
Air conditioners	806 107.48	0.00	0.00	0.00	0.00	806 107.48	0.00	0.00	0.00	0.00	0.00	0.00	-308 595.67	-140 761.61	0.00	0.00	-449 357.28	356 750.20	0.00
ANIMAL-POUND	103 613.37	0.00	0.00	0.00	0.00	103 613.37	0.00	0.00	0.00	0.00	0.00	0.00	-48 343.38	-10 361.33	0.00	0.00	-58 704.71	44 908.66	0.00
Bulk containers	984 849.45	0.00	0.00	0.00	0.00	984 849.45	0.00	0.00	0.00	0.00	0.00	0.00	-289 924.66	-98 484.93	0.00	0.00	-388 409.59	596 439.86	0.00
Cabinets/cupboards	854 130.53	104 509.16	0.00	0.00	0.00	958 639.69	0.00	0.00	0.00	0.00	0.00	0.00	-244 204.20	-112 038.82	0.00	0.00	-356 243.02	602 396.67	107 500.00
Canopy	12 646.00	0.00	0.00	0.00	0.00	12 646.00	0.00	0.00	0.00	0.00	0.00	0.00	-2 940.69	-2 529.20	0.00	0.00	-5 469.89	7 176.11	0.00
Caravan	29 000.00	0.00	0.00	0.00	0.00	29 000.00	0.00	0.00	0.00	0.00	0.00	0.00	-14 158.38	-5 800.00	0.00	0.00	-19 958.38	9 041.62	0.00
Chairs	1 060 484.99	0.00	0.00	0.00	0.00	1 060 484.99	0.00	0.00	0.00	0.00	0.00	0.00	-210 977.71	-151 497.89	0.00	0.00	-362 475.60	698 009.39	0.00
Computer hardware	5 580 588.71	214 451.97	0.00	0.00	0.00	5 795 040.68	0.00	0.00	0.00	0.00	0.00	0.00	-2 489 255.14	-811 187.82	0.00	0.00	-3 300 442.96	2 494 597.72	234 500.00
Compactor - landfill	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Compactor - plate	171 481.45	0.00	0.00	0.00	0.00	171 481.45	0.00	0.00	0.00	0.00	0.00	0.00	-52 619.14	-24 007.49	0.00	0.00	-76 626.63	94 854.82	0.00
Compter software	1 928 975.84	822 136.21	0.00	0.00	0.00	2 751 112.05	0.00	0.00	0.00	0.00	0.00	0.00	-1 393 262.99	-172 176.63	0.00	0.00	-1 565 439.62	1 185 672.43	868 900.00
Control system - co-drive	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Equipmnet/apparatus - C	3 340.00	0.00	0.00	0.00	0.00	3 340.00	0.00	0.00	0.00	0.00	0.00	0.00	-1 092.59	-668.00	0.00	0.00	-1 760.59	1 579.41	0.00
Equipment/apparatus - T	984 147.16	0.00	0.00	0.00	0.00	984 147.16	0.00	0.00	0.00	0.00	0.00	0.00	-281 791.20	-180 500.18	0.00	0.00	-462 291.38	521 855.78	0.00

APPENDIX A(1)

GEORGE MUNICIPALITY : ANALYSIS OF PROPERTY,PLANT AND EQUIPMENT AS AT 30 JUNE 2011

Category/Type	B/Fwd.Cost	Additions	Completed Constructions	Transfers	Disposals	C/Fwd.Cost	B/Fwd.WIP	Additions	Transfers	Disposals	Completed Constructions	C/Fwd.WIP	B/Fwd.Deprec.	Additions	Transfers	Disposals	C/Fwd.Deprec.	Carrying Value	Budget Additions
Electrical equiment	3 181 664.26	912 333.09	0.00	439 442.67	0.00	4 533 440.02	0.00	0.00	0.00	0.00	0.00	0.00	-1 018 424.51	-602 147.09	-22.83	0.00	-1 620 594.43	2 912 845.59	1 679 900.00
laboratory equipment	49 475.00	0.00	0.00	0.00	0.00	49 475.00	0.00	0.00	0.00	0.00	0.00	0.00	-25 261.17	-4 497.72	0.00	0.00	-29 758.89	19 716.11	0.00
Radio equipment	1 915 439.33	19 080.00	0.00	0.00	0.00	1 934 519.33	0.00	0.00	0.00	0.00	0.00	0.00	-733 854.86	-300 708.14	0.00	0.00	-1 034 563.00	899 956.33	20 000.00
Telecommunication equi	1 791 786.53	0.00	0.00	0.00	0.00	1 791 786.53	0.00	0.00	0.00	0.00	0.00	0.00	-735 814.01	-257 900.77	0.00	0.00	-993 714.78	798 071.75	0.00
Fire equipment	1 125 305.19	0.00	0.00	0.00	0.00	1 125 305.19	0.00	0.00	0.00	0.00	0.00	0.00	-262 627.91	-63 987.55	0.00	0.00	-326 615.46	798 689.73	0.00
Generator	1 792 138.50	0.00	0.00	0.00	0.00	1 792 138.50	0.00	0.00	0.00	0.00	0.00	0.00	-641 229.50	-277 185.21	0.00	0.00	-918 414.71	873 723.79	0.00
General plant	13 033 173.11	1 436.00	0.00	0.00	0.00	13 034 609.11	0.00	0.00	0.00	0.00	0.00	0.00	-4 051 396.01	-826 486.36	0.00	0.00	-4 877 882.37	8 156 726.74	12 000.00
Fire hoses	157 191.78	0.00	0.00	0.00	0.00	157 191.78	0.00	0.00	0.00	0.00	0.00	0.00	-78 578.15	-20 000.66	0.00	0.00	-98 578.81	58 612.97	0.00
Hoist - refuse bins	212 641.73	491 651.09	0.00	0.00	0.00	704 292.82	0.00	0.00	0.00	0.00	0.00	0.00	-73 786.06	-34 114.01	0.00	0.00	-107 900.07	596 392.75	500 000.00
Irrigation systems	75 116.70	0.00	0.00	0.00	0.00	75 116.70	0.00	0.00	0.00	0.00	0.00	0.00	-5 687.32	-5 007.78	0.00	0.00	-10 695.10	64 421.60	0.00
Lathes	55 041.80	0.00	0.00	0.00	0.00	55 041.80	0.00	0.00	0.00	0.00	0.00	0.00	-33 371.94	-1 445.88	0.00	0.00	-34 817.82	20 223.98	0.00
Emergency light	2 170.67	0.00	0.00	0.00	0.00	2 170.67	0.00	0.00	0.00	0.00	0.00	0.00	-466.24	-434.14	0.00	0.00	-900.38	1 270.29	0.00
Loader - drill	771 676.03	0.00	0.00	0.00	0.00	771 676.03	0.00	0.00	0.00	0.00	0.00	0.00	-420 914.16	-36 832.37	0.00	0.00	-457 746.53	313 929.50	0.00
Loader - front-end	2 946 858.39	0.00	0.00	0.00	0.00	2 946 858.39	0.00	0.00	0.00	0.00	0.00	0.00	-1 094 491.41	-533 996.67	0.00	0.00	-1 628 488.08	1 318 370.31	0.00
Miscellaneous furniture	1 664 218.77	417 162.96	0.00	0.00	0.00	2 081 381.73	0.00	0.00	0.00	0.00	0.00	0.00	-499 495.46	-211 886.33	0.00	0.00	-711 381.79	1 369 999.94	580 100.00
Office machines	1 397 101.43	88 101.54	0.00	0.00	0.00	1 485 202.97	0.00	0.00	0.00	0.00	0.00	0.00	-602 139.58	-270 010.52	0.00	0.00	-872 150.10	613 052.87	90 000.00
PLANT & EQUIPMENT	6 888 279.10			-6 888 279.10									-1 887.39		1 887.39	0.00	0.00	0.00	
Pumps	4 602 264.33	0.00	0.00	153 167.55	0.00	4 755 431.88	0.00	0.00	0.00	0.00	0.00	0.00	-1 768 170.53	-915 353.67	-20.97	0.00	-2 683 545.17	2 071 886.71	0.00
roller - pavement	0.00	199 600.00	0.00	0.00	0.00	199 600.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-109.38	0.00	0.00	-109.38	199 490.62	199 600.00
Tables/desks	939 181.20	121 705.45	0.00	0.00	0.00	1 060 886.65	0.00	0.00	0.00	0.00	0.00	0.00	-300 069.00	-117 163.58	0.00	0.00	-417 232.58	643 654.07	188 000.00
Tippers	2 414 203.63	0.00	0.00	0.00	0.00	2 414 203.63	0.00	0.00	0.00	0.00	0.00	0.00	-436 877.06	-122 310.86	0.00	0.00	-559 187.92	1 855 015.71	0.00
Tools	64 086.46	0.00	0.00	0.00	0.00	64 086.46	0.00	0.00	0.00	0.00	0.00	0.00	-14 744.08	-12 817.28	0.00	0.00	-27 561.36	36 525.10	0.00
Trailers	483 807.19	176 461.22	0.00	0.00	0.00	660 268.41	0.00	0.00	0.00	0.00	0.00	0.00	-176 598.61	-52 213.72	0.00	0.00	-228 812.33	431 456.08	177 200.00
Vehicles	10 484 659.71	0.00	0.00	0.00	-254 390.24	10 230 269.47	0.00	0.00	0.00	0.00	0.00	0.00	-4 115 369.67	-987 010.50	0.00	95 744.85	-5 006 635.32	5 223 634.15	0.00
Watercraft/boats	201 159.74	0.00	0.00	0.00	0.00	201 159.74	0.00	0.00	0.00	0.00	0.00	0.00	-22 074.13	-11 351.16	0.00	0.00	-33 425.29	167 734.45	0.00
Compressors	154 286.70	0.00	0.00	0.00	0.00	154 286.70	0.00	0.00	0.00	0.00	0.00	0.00	-88 324.69	-22 190.82	0.00	0.00	-110 515.51	43 771.19	0.00
Compactor truck - refuse	2 394 660.52	0.00	0.00	0.00	0.00	2 394 660.52	0.00	0.00	0.00	0.00	0.00	0.00	-911 205.67	-283 988.18	0.00	0.00	-1 195 193.85	1 199 466.67	0.00
Motor cycles	558 214.59	0.00	0.00	0.00	0.00	558 214.59	0.00	0.00	0.00	0.00	0.00	0.00	-154 853.56	-91 212.26	0.00	0.00	-246 065.82	312 148.77	0.00
Fire engines	2 476 505.43	0.00	0.00	0.00	0.00	2 476 505.43	0.00	0.00	0.00	0.00	0.00	0.00	-429 827.84	-110 111.71	0.00	0.00	-539 939.55	1 936 565.88	0.00
Graders	2 052 583.69	0.00	0.00	0.00	0.00	2 052 583.69	0.00	0.00	0.00	0.00	0.00	0.00	-662 316.08	-122 539.94	0.00	0.00	-784 856.02	1 267 727.67	0.00
Lawnmowers	107 166.31	0.00	0.00	0.00	0.00	107 166.31	0.00	0.00	0.00	0.00	0.00	0.00	-72 485.00	-15 608.75	0.00	0.00	-88 093.75	19 072.56	0.00
Roller - mechanically dri	1 155 778.88	0.00	0.00	0.00	0.00	1 155 778.88	0.00	0.00	0.00	0.00	0.00	0.00	-425 706.01	-186 718.37	0.00	0.00	-612 424.38	543 354.50	0.00
Pound vehicles	21 748.30	0.00	0.00	0.00	0.00	21 748.30	0.00	0.00	0.00	0.00	0.00	0.00	-13 388.10	-1 672.94	0.00	0.00	-15 061.04	6 687.26	0.00
Road maintenance equi	263 816.67	0.00	0.00	0.00	0.00	263 816.67	0.00	0.00	0.00	0.00	0.00	0.00	-135 426.19	-52 763.33	0.00	0.00	-188 189.52	75 627.15	0.00
Trucks/bakkies	21 695 483.30	1 059 659.39	0.00	0.00	0.00	22 755 142.69	0.00	0.00	0.00	0.00	0.00	0.00	-10 408 839.61	-1 852 430.52	0.00	0.00	-12 261 270.13	10 493 872.56	1 060 200.00
Tractors	158 320.00	250 000.00	0.00	0.00	0.00	408 320.00	0.00	0.00	0.00	0.00	0.00	0.00	-108 872.65	-9 000.10	0.00	0.00	-117 872.75	290 447.25	300 000.00
	99 806 569.95	**4 878 288.08**	**0.00**	**-6 295 668.88**	**-254 390.24**	**98 134 798.91**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**-35 861 739.91**	**-10 123 222.17**	**1 843.59**	**95 744.85**	**-45 887 373.64**	**52 247 425.27**	**6 017 900.00**
INVESTMENT																			
BUILDINGS		0.00	0.00	279 158.80	0.00	279 158.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-4 813.09	-134 845.37	0.00	-139 658.46	139 500.34	0.00
MUNICIPAL ERVEN		0.00	0.00	68 130 500.00	0.00	68 130 500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	68 130 500.00	0.00
UNDETERMINED ERVEN		0.00	0.00	69 050 000.00	0.00	69 050 000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	69 050 000.00	0.00
		0.00	**0.00**	**137 459 658.80**	**0.00**	**137 459 658.80**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**-4 813.09**	**-134 845.37**	**0.00**	**-139 658.46**	**137 320 000.34**	**0.00**
LAND AND BUILDINGS																			
Buildings	8 567 552.94	0.00	0.00	0.00	0.00	8 567 552.94	0.00	0.00	0.00	0.00	0.00	0.00	-43 982.97	-64 168.86	0.00	0.00	-108 151.83	8 459 401.11	0.00
BUSINESS	9 852 500.00	0.00	0.00	-155 500.00	0.00	9 697 000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9 697 000.00	0.00
BUSINESS INDUSTRIA	65 550.00	0.00	0.00		0.00	65 550.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	65 550.00	0.00
CARAVANS PARKS	893 939.70	0.00	0.00		0.00	893 939.70	0.00	0.00	0.00	0.00	0.00	0.00	-88 562.89	-29 797.99	0.00	0.00	-118 360.88	775 578.82	0.00
CEMETERIES	5 678 500.00	0.00	0.00		0.00	5 678 500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5 678 500.00	0.00
CHURCHES	85 000.00	0.00	0.00		0.00	85 000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	85 000.00	0.00
COMMAGE	9 950 000.00	0.00	0.00		0.00	9 950 000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9 950 000.00	0.00
CRECHE	479 750.00	0.00	0.00		0.00	479 750.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	479 750.00	0.00
GENERAL RESIDENTIA	3 785 000.00	0.00	0.00		0.00	3 785 000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3 785 000.00	0.00
GOVERNMENT	50 000.00	0.00	0.00		0.00	50 000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50 000.00	0.00
Hostels	170 348.58	0.00	0.00		0.00	170 348.58	0.00	0.00	0.00	0.00	0.00	0.00	-93 040.33	-5 678.27	0.00	0.00	-98 718.60	71 629.98	0.00
INDUSTRIAL	18 418 800.00	0.00	0.00	-1 140 000.00	0.00	17 278 800.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	17 278 800.00	0.00
INSTATUTIONS	1 953 850.00	0.00	0.00		0.00	1 953 850.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1 953 850.00	0.00
MARKETS	51 965.00	0.00	0.00		0.00	51 965.00	0.00	0.00	0.00	0.00	0.00	0.00	-1 874.54	-1 732.17	0.00	0.00	-3 606.71	48 358.29	0.00
MUN	296 229 710.00	0.00	0.00	-66 835 000.00	-350 000.00	229 044 710.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	229 044 710.00	0.00
Office Buildings	4 927 404.87	0.00	0.00		0.00	4 927 404.87	0.00	0.00	0.00	0.00	0.00	0.00	-906 747.51	-164 246.74	0.00	0.00	-1 070 994.25	3 856 410.62	0.00
OPEN PLACE	8 000.00	0.00	0.00		0.00	8 000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8 000.00	0.00
Other land	2 002 987.23	0.00	0.00		0.00	2 002 987.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2 002 987.23	0.00
PARKING	30 785 000.00	0.00	0.00		0.00	30 785 000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30 785 000.00	0.00
PUBLIC OPEN SPACE	168 240 500.00	0.00	0.00		0.00	168 240 500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	168 240 500.00	0.00
PRIVATE OPEN SPACE	7 880 000.00	0.00	0.00		0.00	7 880 000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7 880 000.00	0.00
ROADS	1 550 000.00	0.00	0.00		-300 000.00	1 250 000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1 250 000.00	0.00
SPECIAL HOUSING	33 488 500.00	0.00	0.00		0.00	33 488 500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	33 488 500.00	0.00
SINGLE RESIDENTIAL	18 537 090.00	0.00	0.00		-158 700.00	18 378 390.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18 378 390.00	0.00
Tip Sites	7 368 268.99	0.00	0.00		0.00	7 368 268.99	0.00	0.00	0.00	0.00	0.00	0.00	-1 246 602.79	-245 608.94	0.00	0.00	-1 492 211.73	5 876 057.26	0.00
Town planning	14 077 211.91	0.00	0.00		0.00	14 077 211.91	0.00	0.00	0.00	0.00	0.00	0.00	-7 776 325.83	-1 493 673.23	0.00	0.00	-9 269 999.06	4 807 212.85	0.00
UND	94 135 900.00	0.00	0.00	-69 050 000.00	0.00	25 085 900.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25 085 900.00	0.00
Vacantland	11 094 586.64	0.00	0.00	0.00	0.00	11 094 586.64	0.00	0.00	0.00	0.00	0.00	0.00	-94 603.53	-31 422.96	0.00	0.00	-126 026.49	10 968 560.15	0.00
Workshop	985 492.14	0.00	0.00	0.00	0.00	985 492.14	0.00	0.00	0.00	0.00	0.00	0.00	-459 566.31	-29 314.02	0.00	0.00	-488 880.33	496 611.81	0.00
	751 313 408.00	**0.00**	**0.00**	**-137 180 500.00**	**-808 700.00**	**613 324 208.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**-10 711 306.70**	**-2 065 643.18**	**0.00**	**0.00**	**-12 776 949.88**	**600 547 258.12**	**0.00**
TOTAL PPE	2 247 787 182.86	97 695 204.50	72 465 750.40	-0.01	-1 754 485.40	2 416 193 652.36	53 944 977.87	38 939 316.57	0.00	0.00	-72 465 750.40	20 418 544.04	-339 773 660.59	-93 938 626.67	-0.00	349 459.40	-433 362 827.86	2 003 249 368.54	157 319 360.00
LEASED ASSETS																			
Vehicles	221 997.09	0.00	0.00	0.00	-221 997.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-221 997.09	0.00	0.00	221 997.09	0.00	0.00	
Other	472 897.03	0.00	0.00	0.00	-472 897.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-352 074.76	-120 822.27	0.00	472 897.03	0.00	0.00	
	694 894.12	0.00	0.00	0.00	-694 894.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-574 071.85	-120 822.27	0.00	694 894.12	0.00	0.00	
GRAND TOTAL	2 248 482 076.98	97 695 204.50	72 465 750.40	-0.01	-2 449 379.52	2 416 193 652.36	53 944 977.87	38 939 316.57	0.00	0.00	-72 465 750.40	20 418 544.04	-340 347 732.44	-94 059 448.94	-0.00	1 044 353.52	-433 362 827.86	2 003 249 368.54	157 319 360.00

APPENDIX A(2)

GEORGE MUNICIPALITY : ANALYSIS OF PROPERTY,PLANT AND EQUIPMENT AS AT 30 JUNE 2010

Category/Type	B/Fwd.Cost	OTHER MOVEMENT	Additions	Completed Constructions	Transfers	Disposals	C/Fwd.Cost	B/Fwd.WIP	Other Movement	Additions	Transfers	Disposals	Completed Constructions	C/Fwd.WIP	B/Fwd.Deprec.	Other Movements	Additions	Prior Year Adjustment	Disposals	C/Fwd.Deprec.	Carrying Value
INFRASTRUCTURE																					
Access control	325 061.87	0.00	64 356.04	0.00	0.00	0.00	389 417.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-63 407.57	0.00	-64 297.01	1 560.73	0.00	-126 143.85	263 274.06
Bridges, subways & culverts	6 443 657.24	3 019 910.39	541 409.83	0.00	0.00	0.00	10 004 977.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-333 556.69	-28 130.19	-564 659.78	0.00	0.00	-926 346.66	9 078 630.80
Bus terminals	6 168 870.81	-3 485 999.99	0.00	0.00	0.00	0.00	2 682 870.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-444 491.82	0.00	-133 486.60	6 131.61	0.00	-571 846.81	2 111 024.01
Car parks	1 835 721.38	1 054 143.23	131 070.94	0.00	0.00	0.00	3 020 935.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-466 348.58	-23 101.99	-174 518.38	130 053.84	0.00	-533 915.11	2 487 020.44
Fencing	6 916 345.96	-95 479.74	2 159 472.02	56 105.25	0.00	0.00	9 036 443.49	56 105.25	0.00	0.00	0.00	0.00	-56 105.25	0.00	-2 991 381.16	-20 433.35	-1 485 314.92	1 321 477.99	0.00	-3 175 651.44	5 860 792.05
Footways	565 392.15	5 618 848.82	1 607 522.84	0.00	0.00	0.00	7 791 763.81	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-31 045.73	-45 515.79	-325 286.24	0.00	0.00	-401 847.76	7 389 916.05
Load control equipment	4 893 551.30	12 993.25	2 692 315.12	0.00	0.00	0.00	7 598 859.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-849 560.07	-35.60	-249 492.58	117 434.15	0.00	-981 654.10	6 617 205.57
Mains	6 605 422.09	0.00	0.00	0.00	0.00	0.00	6 605 422.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-794 685.48	0.00	-270 696.47	0.00	0.00	-1 065 381.95	5 540 040.14
Mains	7 255.10	0.00	0.00	0.00	0.00	0.00	7 255.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-7 255.10	0.00	0.00	3 152.48	0.00	-4 102.62	3 152.48
Meters	99 780.49	0.00	0.00	0.00	0.00	0.00	99 780.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-34 950.60	0.00	-4 989.22	0.00	0.00	-39 939.82	59 840.67
Meters	4 439 488.06	-736 833.03	0.00	0.00	0.00	0.00	3 702 655.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-1 385 592.39	4 993.38	-240 584.91	37 635.12	0.00	-1 583 548.80	2 119 106.23
Motorways	308 314.27	0.00	0.00	0.00	0.00	0.00	308 314.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-41 671.75	0.00	-20 554.28	0.00	0.00	-62 226.03	246 088.24
Outfall sewers	364 823.92	0.00	0.00	0.00	0.00	0.00	364 823.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-54 743.94	0.00	-18 241.19	0.00	0.00	-72 985.13	291 838.79
Paving	29 421 434.05	-14 638 816.64	1 079 623.71	0.00	0.00	0.00	15 862 241.12	2 022 943.55	0.00	0.00	0.00	0.00	0.00	2 022 943.55	-1 022 305.42	151 988.61	-873 769.84	656.59	0.00	-1 743 430.06	16 141 754.61
Pipelines	4 961 886.29	-4 961 886.29	1 597 018.14	0.00	0.00	0.00	1 597 018.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-218.79	0.00	0.00	-218.79	1 596 799.35
Power stations	16 716 207.03	-16 188 398.48	0.00	0.00	0.00	0.00	527 808.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-426 883.93	0.00	-17 593.61	0.00	0.00	-444 477.54	83 331.01
Pump stations	32 645 675.84	-933 106.47	5 167 845.22	21 217 084.61	0.00	-1 252 341.32	56 845 157.88	9 817 136.71	0.00	47 887 502.03	0.00	0.00	-21 217 084.61	36 487 554.13	-3 432 202.02	-437 738.39	-2 816 665.82	71 833.70	62 617.08	-6 552 155.45	86 780 556.56
Purification works	1 698 213.15	4 013 857.84	-2 870 882.55	8 043 290.40	0.00	0.00	10 884 478.84	0.00	0.00	8 043 290.40	0.00	0.00	-8 043 290.40	0.00	-1 186 612.10	-5 677.03	-108 347.82	425 931.82	0.00	-874 705.13	10 009 773.71
Other roads	282 555 533.00	-1 813 637.57	5 706 513.56	57 231 314.24	0.00	0.00	343 679 723.23	34 315 678.90	11 202 648.95	11 712 986.39	0.00	0.00	-57 231 314.24	0.00	-78 531 849.88	-29 584.96	-27 335 374.05	18 169 650.80	0.00	-87 727 158.09	255 952 565.14
Security systems	2 000 715.27	2 383.64	0.00	0.00	0.00	0.00	2 003 098.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-1 443 583.97	-9.80	-112 371.10	427 173.48	0.00	-1 128 791.39	874 307.52
Sewers	141 203 348.22	-5 795 339.72	-13 128 474.59	45 850 769.38	0.00	-353 003.62	167 777 299.67	26 029 728.83	0.00	19 821 040.55	0.00	0.00	-45 850 769.38	0.00	-35 823 436.80	-2 755.86	-6 329 824.02	8 074 283.68	83 806.81	-33 997 926.19	133 779 373.48
Sludge machines	3 427 380.92	0.00	0.00	0.00	0.00	0.00	3 427 380.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-2 982 812.46	0.00	-225 898.80	1 550 787.52	0.00	-1 657 923.74	1 769 457.18
Sewerage pumps	6 303 916.73	2 408 456.11	904 912.16	0.00	0.00	0.00	9 617 285.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-2 519 041.52	-3 366.32	-523 178.40	603 806.67	0.00	-2 441 779.57	7 175 505.43
Street lighting	14 419 404.61	579 188.46	2 017 533.58	1 023 767.54	0.00	0.00	18 039 894.19	1 248 690.55	0.00	19 325.84	0.00	0.00	-1 023 767.54	244 248.85	-4 163 559.18	-2 380.17	-607 641.83	16 013.08	0.00	-4 757 568.10	13 526 574.94
Supply/reticulation	119 305 464.22	-1 968 069.46	7 893 626.26	8 936 754.42	0.00	0.00	134 167 775.44	3 089 269.81	0.00	7 406 568.51	0.00	0.00	-8 936 754.42	1 559 083.90	-51 268 900.76	8 685.63	-5 382 811.01	12 603 572.98	0.00	-44 039 453.16	91 687 406.18
Supply/reticulation	2 439 947.04	0.00	0.00	0.00	0.00	0.00	2 439 947.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-133 027.13	0.00	-121 997.35	0.00	0.00	-255 024.48	2 184 922.56
Supply/reticulation	165 292 965.32	3 228 607.49	28 698 068.93	33 158 347.16	0.00	-1 338 870.61	229 039 118.29	28 091 647.77	0.00	18 451 975.90	0.00	0.00	-33 158 347.16	13 385 276.51	-41 369 487.61	7 087.58	-8 412 603.79	7 976 819.95	392 173.77	-41 406 010.10	201 018 384.70
Stormwater drains	30 229 018.82	7 512 558.14	17 834 223.06	4 385 849.04	0.00	0.00	59 961 649.06	462 901.28	0.00	3 922 947.76	0.00	0.00	-4 385 849.04	0.00	-1 999 518.73	-65 813.96	-2 837 294.59	2 364.78	0.00	-4 900 262.50	55 061 386.56
Switchgear equipment	12 428 800.13	1 393 998.63	1 355 090.78	530 947.19	0.00	0.00	15 708 836.73	0.00	0.00	530 947.19	0.00	0.00	-530 947.19	0.00	-3 754 393.77	-5 246.27	-663 268.47	546 032.40	0.00	-3 876 876.11	11 831 960.62
Reservoirs & tanks	12 193 197.02	0.00	3 741 818.35	0.00	0.00	0.00	15 935 015.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-8 164 386.69	0.04	-312 803.55	2 730 303.70	0.00	-5 746 886.50	10 188 128.87
Taxiways	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Transformer kiosks	40 671 305.65	16 170 287.60	24 884 156.03	0.00	0.00	0.00	81 725 749.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-6 238 078.04	-1 023.57	-1 668 313.42	123.94	0.00	-7 907 291.09	73 818 458.19
Traffic islands	11 434.20	0.00	0.00	0.00	0.00	0.00	11 434.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-11 434.20	0.00	0.00	4 761.71	0.00	-6 672.49	4 761.71
Traffic lights	11 735 803.04	854 686.82	0.00	0.00	0.00	0.00	12 590 489.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-1 579 339.55	-7 024.67	-658 819.46	125 239.36	0.00	-2 119 944.32	10 470 545.54
Street names & traffic signs	631 916.20	60 095.18	90 292.51	0.00	0.00	0.00	782 303.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-165 490.68	-493.92	-41 430.58	4 837.30	0.00	-202 577.88	579 726.01
	969 267 251.39	-4 687 551.79	92 167 511.94	180 434 229.23	0.00	-2 944 215.55	1 234 237 225.22	105 134 102.65	11 202 648.95	117 796 584.57	0.00	0.00	-180 434 229.23	53 699 106.94	-253 715 035.32	-505 576.60	-62 602 347.88	54 951 639.38	538 597.66	-261 332 722.76	1 026 603 609.40
COMMUNITY																					
Beach developments	2 676 711.34	0.00	0.00	0.00	0.00	0.00	2 676 711.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-413 642.90	0.00	-89 223.68	0.00	0.00	-502 866.58	2 173 844.76
Bowling greens	106 487.78	0.00	0.00	0.00	0.00	0.00	106 487.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-106 487.78	0.00	0.00	50 680.75	0.00	-55 807.03	50 680.75
Care centres	5 767 112.38	0.00	758 722.99	526 089.81	0.00	0.00	7 051 925.18	526 089.81	0.00	0.00	0.00	0.00	-526 089.81	0.00	-422 667.36	0.00	-193 953.31	0.00	0.00	-616 620.67	6 435 304.51
Cemeteries	67 861.05	0.00	0.00	0.00	0.00	0.00	67 861.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-20 313.84	0.00	-2 262.06	0.00	0.00	-22 575.90	45 285.15
Community centres	22 452 464.40	0.00	503 000.00	0.00	0.00	0.00	22 955 464.40	0.00	0.00	3 000.00	0.00	0.00	0.00	3 000.00	-3 237 009.68	0.00	-748 415.41	259 229.93	0.00	-3 726 195.16	19 232 269.24
Fire stations	510 652.21	0.00	1 251 936.68	0.00	0.00	0.00	1 762 588.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-206 027.09	0.00	-17 152.32	0.00	0.00	-223 179.41	1 539 409.48
Floodlighting	6 525 853.95	0.00	0.00	0.00	0.00	0.00	6 525 853.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-1 071 351.57	0.00	-324 093.51	18 323.38	0.00	-1 377 121.70	5 148 732.25
Clinics/hospitals	1 823 763.17	0.00	0.00	0.00	0.00	0.00	1 823 763.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-820 178.79	0.00	-60 792.00	0.00	0.00	-880 970.79	942 792.38
Housing Schemes	19 978 847.49	1 297 643.00	485 246.72	0.00	0.00	0.00	21 761 737.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-2 832 384.18	0.00	-709 216.33	125 881.04	0.00	-3 415 719.47	18 346 017.74
Indoor sports	127 552.33	0.00	0.00	0.00	0.00	0.00	127 552.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-104 704.80	0.00	-4 251.72	0.00	0.00	-108 956.52	18 595.81
Lakes and dams	119 843.41	0.00	0.00	0.00	0.00	0.00	119 843.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-7 912.96	0.00	-5 992.17	0.00	0.00	-13 905.13	105 938.28
Libraries	1 799 552.82	0.00	0.00	0.00	0.00	0.00	1 799 552.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-861 182.42	0.00	-59 985.01	142 991.89	0.00	-778 175.54	1 021 377.28
Monuments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Municipal buildings	47 299 951.89	102 591.25	1 737 223.07	449 948.74	0.00	0.00	49 589 714.95	449 948.74	0.00	0.00	0.00	0.00	-449 948.74	0.00	-12 012 966.18	-421.60	-1 487 661.33	1 376 814.18	0.00	-12 124 234.93	37 465 480.02
Muncipal houses	459 389.80	0.00	0.00	0.00	0.00	0.00	459 389.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-116 114.22	0.00	-21 192.49	15 937.45	0.00	-121 369.26	338 020.54
Museum/art galleries	2 664.00	0.00	0.00	0.00	0.00	0.00	2 664.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-2 310.49	0.00	-88.80	0.00	0.00	-2 399.29	264.71
Netball courts	5 672.94	0.00	0.00	0.00	0.00	0.00	5 672.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-5 672.94	0.00	0.00	2 361.96	0.00	-3 310.98	2 361.96
Outdoor sports facilities	15 590 861.37	-1 234 611.96	3 354 982.56	7 338 600.54	0.00	0.00	25 049 832.51	1 494 703.27	0.00	6 086 768.20	0.00	0.00	-7 338 600.54	242 870.93	-4 180 188.56	13 191.83	-745 926.52	101 098.45	0.00	-4 811 824.80	20 480 878.64
Parks	1 635 789.42	0.00	0.00	0.00	0.00	0.00	1 635 789.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-389 873.07	0.00	-54 525.07	15.35	0.00	-444 382.79	1 191 406.63
Public conveniences/bathhouses	1 893 061.20	0.00	0.00	0.00	0.00	0.00	1 893 061.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-649 155.79	0.00	-63 101.90	0.00	0.00	-712 257.69	1 180 803.51
Recreation centres	3 803 556.57	0.00	0.00	0.00	0.00	0.00	3 803 556.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-356 925.27	0.00	-126 785.20	0.00	0.00	-483 710.47	3 319 846.10
Stadiums	0.00	198 132.59	3 400 708.64	0.00	0.00	0.00	3 598 841.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-2 117.05	-10 372.53	0.00	0.00	-12 489.58	3 586 351.65
Swimming pools	8 788 960.28	0.00	0.00	0.00	0.00	0.00	8 788 960.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-875 326.72	0.00	-439 448.02	0.00	0.00	-1 314 774.74	7 474 185.54
Tennis courts	215 823.88	0.00	0.00	0.00	0.00	0.00	215 823.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-206 506.69	0.00	-5 741.15	97 205.05	0.00	-115 042.79	100 781.09
	141 652 433.68	363 754.88	11 491 820.66	8 314 639.09	0.00	0.00	161 822 648.31	2 470 741.82	0.00	6 089 768.20	0.00	0.00	-8 314 639.09	245 870.93	-28 898 903.30	10 653.18	-5 170 180.53	2 190 539.43	0.00	-31 867 891.22	130 200 628.02
							0.00														
							0.00														
HERITAGE																					
Heritage buildings	607 331.38	0.00	0.00	0.00	0.00	0.00	607 331.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	607 331.38
	607 331.38	0.00	0.00	0.00	0.00	0.00	607 331.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	607 331.38
OTHER																					
Air conditioners	806 107.48	0.00	0.00	0.00	0.00	0.00	806 107.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-203 729.12	0.00	-152 632.40	47 765.85	0.00	-308 595.67	497 511.81
ANIMAL-POUND	103 613.37	0.00	0.00	0.00	0.00	0.00	103 613.37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-16 812.89	0.00	-5 399.67	-26 130.82	0.00	-48 343.38	55 269.99
Bulk containers	1 234 399.45	0.00	0.00	0.00	0.00	-249 550.00	984 849.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-378 478.53	0.00	-98 484.94	0.00	187 038.81	-289 924.66	694 924.79
Cabinets/cupboards	854 130.53	0.00	0.00	0.00	0.00	0.00	854 130.53	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-165 644.17	0.00	-107 824.96	29 264.93	0.00	-244 204.20	609 926.33
Canopy	12 646.00	0.00	0.00	0.00	0.00	0.00	12 646.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-411.49	0.00	-2 529.20	0.00	0.00	-2 940.69	9 705.31
Caravan	29 000.00	0.00	0.00	0.00	0.00	0.00	29 000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-8 358.38	0.00	-5 800.00	0.00	0.00	-14 158.38	14 841.62
Chairs	1 047 397.12	0.00	13 087.87	0.00	0.00	0.00	1 060 484.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-61 344.42	0.00	-149 633.29	0.00	0.00	-210 977.71	849 507.28
Computer hardware	5 179 209.68	0.00	483 689.55	0.00	0.00	-82 310.52	5 580 588.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-2 444 003.38	0.00	-666 519.19	538 956.91	82 310.52	-2 489 255.14	3 091 333.57
Compactor - landfill	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Compactor - plate	171 481.45	0.00	0.00	0.00	0.00	0.00	171 481.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-28 611.65	0.00	-24 007.49	0.00	0.00	-52 619.14	118 862.31
Compter software	1 928 975.84	0.00	0.00	0.00	0.00	0.00	1 928 975.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-1 728 241.27	0.00	-76 464.29	411 442.57	0.00	-1 393 262.99	535 712.85
Control system - co-driver	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Equipmnet/apparatus - Clinic/H	3 340.00	0.00	0.00	0.00	0.00	0.00	3 340.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-424.59	0.00	-668.00	0.00	0.00	-1 092.59	2 247.41
Equipment/apparatus - Traffic	984 147.16	0.00	0.00	0.00	0.00	0.00	984 147.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-59 664.61	0.00	-239 060.45	16 933.86	0.00	-281 791.20	702 355.96
Electrical equiment	2 682 972.77	0.00	498 691.49	0.00	0.00	0.00	3 181 664.26	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-766 717.62	0.00	-567 501.95	315 795.06	0.00	-1 018 424.51	2 163 239.75
laboratory equipment	49 475.00	0.00	0.00	0.00	0.00	0.00	49 475.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-45 706.58	0.00	-3 768.42	24 213.83	0.00	-25 261.17	24 213.83
Radio equipment	1 793 283.33	0.00	122 156.00	0.00	0.00	0.00	1 915 439.33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-598 559.49	0.00	-264 639.53	129 344.16	0.00	-733 854.86	1 181 584.47
Telecommunication equipment	1 791 786.53	0.00	0.00	0.00	0.00	0.00	1 791 786.53	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-750 602.37	0.00	-268 722.26	283 510.62	0.00	-735 814.01	1 055 972.52
Fire equipment	786 780.19	0.00	0.00	338 525.00	0.00	0.00	1 125 305.19	338 525.00	0.00	0.00	0.00	0.00	-338 525.00	0.00	-326 137.08	0.00	-56 014.89	119 524.06	0.00	-262 627.91	862 677.28
Generator	1 792 138.50	0.00	0.00	0.00	0.00	0.00	1 792 138.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-522 061.16	0.00	-359 895.39	240 727.05	0.00	-641 229.50	1 150 909.00
General plant	6 350 163.18	460 740.50	6 167 840.89	101 964.02	0.00	-47 535.48	13 033 173.11	52 890.39	0.00	49 073.63	0.00	0.00	-101 964.02	0.00	-5 237 830.82	-10 272.83	-521 456.29	1 670 628.45	47 535.48	-4 051 396.01	8 981 777.10
Fire hoses	157 191.78	0.00	0.00	0.00	0.00	0.00	157 191.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-106 099.69	0.00	-12 078.11	39 599.65	0.00	-78 578.15	78 613.63
Hoist - refuse bins	212 641.73	0.00	0.00	0.00	0.00	0.00	212 641.73	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-68 030.25	0.00	-30 483.87	24 728.06	0.00	-73 786.06	138 855.67
Irrigation systems	75 116.70	0.00	0.00	0.00	0.00	0.00	75 116.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-679.54	0.00	-5 007.78	0.00	0.00	-5 687.32	69 429.38
Lathes	55 041.80	0.00	0.00	0.00	0.00	0.00	55 041.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-55 041.80	0.00	0.00	21 669.86	0.00	-33 371.94	21 669.86
Emergency light	2 170.67	0.00	0.00	0.00	0.00	0.00	2 170.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-32.11	0.00	-434.13	0.00	0.00	-466.24	1 704.43

GEORGE MUNICIPALITY : ANALYSIS OF PROPERTY,PLANT AND EQUIPMENT AS AT 30 JUNE 2010

Category/Type	B/Fwd.Cost	OTHER MOVEMENT	Additions	Completed Constructions	Transfers	Disposals	C/Fwd.Cost	B/Fwd.WIP	Other Movement	Additions	Transfers	Disposals	Completed Constructions	C/Fwd.WIP	B/Fwd.Deprec.	Other Movements	Additions	Prior Year Adjustment	Disposals	C/Fwd.Deprec.	Carrying Value
Loader - drill	771 676.03	0.00	0.00	0.00	0.00	0.00	771 676.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-605 076.03	0.00	0.00	184 161.87	0.00	-420 914.16	350 761.87
Loader - front-end	2 946 858.39	0.00	0.00	0.00	0.00	0.00	2 946 858.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-569 735.71	0.00	-557 732.43	32 976.73	0.00	-1 094 491.41	1 852 366.98
Miscellaneous furniture	1 664 218.77	0.00	0.00	0.00	0.00	0.00	1 664 218.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-425 736.21	0.00	-211 906.76	138 147.51	0.00	-499 495.46	1 164 723.31
Office machines	1 393 156.83	0.00	8 255.55	0.00	0.00	-4 310.95	1 397 101.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-505 160.86	0.00	-368 376.65	267 086.98	4 310.95	-602 139.58	794 961.85
PLANT & EQUIPMENT	0.00	0.00	6 888 279.10	0.00	0.00	0.00	6 888 279.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-1 887.39	0.00	0.00	-1 887.39	6 886 391.71
Pumps	4 439 649.86	0.00	0.00	162 614.47	0.00	0.00	4 602 264.33	0.00	0.00	162 614.47	0.00	0.00	-162 614.47	0.00	-883 773.37	0.00	-884 397.16	0.00	0.00	-1 768 170.53	2 834 093.80
Tables/desks	939 181.20	0.00	0.00	0.00	0.00	0.00	939 181.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-289 075.55	0.00	-131 373.77	120 380.32	0.00	-300 069.00	639 112.20
Tippers	2 414 203.63	0.00	0.00	0.00	0.00	0.00	2 414 203.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-318 400.49	0.00	-122 096.39	3 619.82	0.00	-436 877.06	1 977 326.57
Tools	64 086.46	0.00	0.00	0.00	0.00	0.00	64 086.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-1 926.78	0.00	-12 817.30	0.00	0.00	-14 744.08	49 342.38
Trailers	483 807.19	0.00	0.00	0.00	0.00	0.00	483 807.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-141 385.76	0.00	-68 599.56	33 386.71	0.00	-176 598.61	307 208.58
Vehicles	10 480 074.86	0.00	47 574.85	0.00	0.00	-42 990.00	10 484 659.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-1 268 153.48	-2 428 431.00	-1 219 136.55	757 660.36	42 691.00	-4 115 369.67	6 369 290.04
Watercraft/boats	201 159.74	0.00	0.00	0.00	0.00	0.00	201 159.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-10 722.97	0.00	-11 351.16	0.00	0.00	-22 074.13	179 085.61
Compressors	154 286.70	0.00	0.00	0.00	0.00	0.00	154 286.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-82 015.47	0.00	-19 540.00	13 230.78	0.00	-88 324.69	65 962.01
Compactor truck - refuse	2 394 660.52	0.00	0.00	0.00	0.00	0.00	2 394 660.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-884 567.45	0.00	-297 713.92	271 075.70	0.00	-911 205.67	1 483 454.85
Motor cycles	558 214.59	0.00	0.00	0.00	0.00	0.00	558 214.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-15 682.31	0.00	-139 553.87	382.62	0.00	-154 853.56	403 361.03
Fire engines	2 476 505.43	0.00	0.00	0.00	0.00	0.00	2 476 505.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-319 716.13	0.00	-110 111.71	0.00	0.00	-429 827.84	2 046 677.59
Graders	2 052 583.69	0.00	0.00	0.00	0.00	0.00	2 052 583.69	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-630 766.14	0.00	-31 549.94	0.00	0.00	-662 316.08	1 390 267.61
Lawnmowers	107 166.31	0.00	0.00	0.00	0.00	0.00	107 166.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-79 856.53	0.00	-20 545.16	27 916.69	0.00	-72 485.00	34 681.31
Roller - mechanically driven	1 155 778.88	0.00	0.00	0.00	0.00	0.00	1 155 778.88	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-238 987.64	0.00	-186 718.37	0.00	0.00	-425 706.01	730 072.87
Pound vehicles	21 748.30	0.00	0.00	0.00	0.00	0.00	21 748.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-21 748.30	0.00	0.00	8 360.20	0.00	-13 388.10	8 360.20
Road maintenance equipment	263 816.67	0.00	0.00	0.00	0.00	0.00	263 816.67	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-82 662.86	0.00	-52 763.33	0.00	0.00	-135 426.19	128 390.48
Trucks/bakkies	22 044 223.51	0.00	0.00	0.00	0.00	-348 740.21	21 695 483.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-10 099 184.99	0.00	-1 409 539.28	816 408.75	283 475.91	-10 408 839.61	11 286 643.69
Tractors	189 820.00	0.00	0.00	0.00	0.00	-31 500.00	158 320.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-141 590.66	0.00	-3 355.18	4 573.19	31 500.00	-108 872.65	49 447.35
	85 320 087.82	460 740.50	14 229 575.30	603 103.49	0.00	-806 937.16	99 806 569.95	391 415.39	0.00	211 688.10	0.00	0.00	-603 103.49	0.00	-31 189 148.70	-2 438 703.83	-9 480 092.38	6 567 342.33	678 862.67	-35 861 739.91	63 944 830.04
LAND & BUILDINGS																					
Buildings	7 284 173.46	377 056.42	906 323.06	0.00	0.00	0.00	8 567 552.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-3 169.34	-40 813.63	0.00	0.00	-43 982.97	8 523 569.97
BUSINESS	9 852 500.00	0.00	0.00	0.00	0.00	0.00	9 852 500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9 852 500.00
BUSINESS INDUSTRIAL	65 550.00	0.00	0.00	0.00	0.00	0.00	65 550.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	65 550.00
CARAVANS PARKS	893 939.70	0.00	0.00	0.00	0.00	0.00	893 939.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-58 764.83	0.00	-29 798.06	0.00	0.00	-88 562.89	805 376.81
CEMETERIES	5 678 500.00	0.00	0.00	0.00	0.00	0.00	5 678 500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5 678 500.00
CHURCHES	85 000.00	0.00	0.00	0.00	0.00	0.00	85 000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	85 000.00
COMMAGE	9 950 000.00	0.00	0.00	0.00	0.00	0.00	9 950 000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9 950 000.00
CRECHE	479 750.00	0.00	0.00	0.00	0.00	0.00	479 750.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	479 750.00
GENERAL RESIDENTIAL	3 785 000.00	0.00	0.00	0.00	0.00	0.00	3 785 000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3 785 000.00
GOVERNMENT	50 000.00	0.00	0.00	0.00	0.00	0.00	50 000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50 000.00
Hostels	170 348.58	0.00	0.00	0.00	0.00	0.00	170 348.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-87 362.06	0.00	-5 678.27	0.00	0.00	-93 040.33	77 308.25
INDUSTRIAL	18 418 800.00	0.00	0.00	0.00	0.00	0.00	18 418 800.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18 418 800.00
INSTATUTIONS	1 953 850.00	0.00	0.00	0.00	0.00	0.00	1 953 850.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1 953 850.00
MARKETS	51 965.00	0.00	0.00	0.00	0.00	0.00	51 965.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-142.37	0.00	-1 732.17	0.00	0.00	-1 874.54	50 090.46
MUNICIPAL	297 589 710.00	-1 360 000.00	0.00	0.00	0.00	0.00	296 229 710.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	296 229 710.00
Office Buildings	4 927 404.87	0.00	0.00	0.00	0.00	0.00	4 927 404.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-742 500.77	0.00	-164 246.74	0.00	0.00	-906 747.51	4 020 657.36
OPEN PLACE	8 000.00	0.00	0.00	0.00	0.00	0.00	8 000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8 000.00
Other land	2 002 987.23	0.00	0.00	0.00	0.00	0.00	2 002 987.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2 002 987.23
PARKING	30 785 000.00	0.00	0.00	0.00	0.00	0.00	30 785 000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30 785 000.00
PUBLIC OPEN SPACE	168 240 500.00	0.00	0.00	0.00	0.00	0.00	168 240 500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	168 240 500.00
PRIVATE OPEN SPACE	7 880 000.00	0.00	0.00	0.00	0.00	0.00	7 880 000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7 880 000.00
ROADS	1 550 000.00	0.00	0.00	0.00	0.00	0.00	1 550 000.00	11 202 648.95	-11 202 648.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1 550 000.00
SPECIAL HOUSING	33 488 500.00	0.00	0.00	0.00	0.00	0.00	33 488 500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	33 488 500.00
SINGLE RESIDENTIAL	19 272 090.00	-735 000.00	0.00	0.00	0.00	0.00	18 537 090.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18 537 090.00
Tip Sites	7 368 268.99	0.00	0.00	0.00	0.00	0.00	7 368 268.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-1 000 993.85	0.00	-245 608.94	0.00	0.00	-1 246 602.79	6 121 666.20
Town planning	14 077 211.91	0.00	0.00	0.00	0.00	0.00	14 077 211.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-9 682 445.40	0.00	-1 596 396.24	3 502 515.81	0.00	-7 776 325.83	6 300 886.08
UNDETERMINED	94 135 900.00	0.00	0.00	0.00	0.00	0.00	94 135 900.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	94 135 900.00
Vacantland	10 896 849.15	0.00	0.00	197 737.49	0.00	0.00	11 094 586.64	24 082.89	0.00	173 654.60	0.00	0.00	-197 737.49	0.00	-63 180.57	0.00	-31 422.96	0.00	0.00	-94 603.53	10 999 983.11
Workshop	1 024 875.94	0.00	0.00	0.00	0.00	-39 383.80	985 492.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-493 864.06	0.00	-30 744.36	40 081.11	24 961.00	-459 566.31	525 925.83
	751 966 674.83	-1 717 943.58	906 323.06	197 737.49	0.00	-39 383.80	751 313 408.00	11 226 731.84	-11 202 648.95	173 654.60	0.00	0.00	-197 737.49	0.00	-12 129 253.91	-3 169.34	-2 146 441.37	3 542 596.92	24 961.00	-10 711 306.70	740 602 101.30
Total PPE	1 948 813 779.10	-5 580 999.99	118 795 230.96	189 549 709.30	0.00	-3 790 536.51	2 247 787 182.86	119 222 991.70	0.00	124 271 695.47	0.00	0.00	-189 549 709.30	53 944 977.87	-325 932 341.23	-2 936 796.59	-79 399 062.16	67 252 118.06	1 242 421.33	-339 773 660.59	1 961 958 500.14
LEASED ASSETS																					
Vehicles	221 997.09	0.00	0.00	0.00	0.00	0.00	221 997.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-198 911.86	0.00	-23 085.23	0.00	0.00	-221 997.09	0.00
Other	472 897.03	0.00	0.00	0.00	0.00	0.00	472 897.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-257 495.35	0.00	-94 579.41	0.00	0.00	-352 074.76	120 822.27
	694 894.12	0.00	0.00	0.00	0.00	0.00	694 894.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-456 407.21	0.00	-117 664.64	0.00	0.00	-574 071.85	120 822.27
	1 949 508 673.22	-5 580 999.99	118 795 230.96	189 549 709.30	0.00	-3 790 536.51	2 248 482 076.98	119 222 991.70	0.00	124 271 695.47	0.00	0.00	-189 549 709.30	53 944 977.87	-326 388 748.44	-2 936 796.59	-79 516 726.80	67 252 118.06	1 242 421.33	-340 347 732.44	1 962 079 322.41